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EMPLOYEE COMPENSATION

1976 settlements lower

Major employers and their unions negotiated much smaller average annual pay increases last year than during 1975.

Annual base-rate increases averaging 10.5 per cent were provided for in 599 major settlements last year — 6.6 per cent below the 1975 average of 17.1 per cent in 416 major settlements.

The Labour Canada data are based on an analysis of agreements covering 500 or more workers in industries — other than construction — in both federal and provincial jurisdictions.

Of the 599 settlements in 1976, 308 were for one year, with average annual increases in base rates of 11.8 per cent; 187 for two years, with average increases of 12.6 per cent in the first year and 8.0 in the second; 104 were three-year pacts, with increases of 14.6 per cent in the first year, 7.1 per cent in the second, and 5.2 per cent in the third.

Labour Canada also reported that 149 of the settlements provided for a COLA — cost of living allowance — clause. They provided for a 9.0 per cent average annual increase in base rates, excluding the effect of the COLA clause.

That compares with average annual increases of 11.5 per cent in the 450 settlements without a COLA clause.

Average annual increase in the 147 major settlements in the fourth quarter of 1976 was 8.3 per cent in compound terms — down from an average of 9.8 per cent in the third quarter. The fourth-quarter settlements comprised 71 one-year pacts with annual average increase of 9.7 per cent; 50 for two years with 10.2 per cent in the first year and 6.8 per cent in the second; 26 three-year agreements averaging increases of 9.7 per cent in the first year, 4.4 per cent in the second and 3.1 per cent in the third.

Of the third-quarter settlements, 39 included a COLA clause plus an average annual increase in base rates of 6.3 per cent. The average annual increase in base rates in the 108 without COLA clauses was 9.3 per cent.

The statistics take into account the effect of Anti-inflation Board rulings and subsequent ratification by the parties, where confirmed data were available.

Italian workers receive increases in form of bonds

Italy's higher paid workers are going to get part of their 1977-78 pay increases in the form of treasury bonds which may not be redeemed for five years. The move is seen as helping solve two

economic problems — wage inflation and lack of investment capital.

Under a decree approved in December 1976 by the Italian Parliament, employees earning more than \$7,200 a year will get a two-tier increase. For most, one-half the increase will be in cash and the other half in bonds, but for those earning \$9,800 or more the entire increase will be in bonds.

The decree applies only to automatically granted cost-of-living increases, which can be substantial because of Italy's current annual inflation rate of 17 per cent.

PENSIONS

Improvements to railway plans recommended

A one-man inquiry commission into railway pension plans recommends immediate improvements to the Canadian Pacific plan to bring it in line with the Canadian National plan.

Dr. Noel A. Hall specifically recommends: that retired CPR employees, including those who retired before 1973, should get the same pension increases as CN employees — about 2 per cent annually since 1970; that those increases should also apply to people receiving survivor pensions; that the provisions terminating survivor benefits upon the remarriage of an eligible widow or widower be removed; that the provision requiring marriage five years prior to the death of an employee or pensioner for eligibility for a survivor's pension be reduced to one year; and that the provision limiting eligibility to employees hired before age 40 be changed to read "hired before age 60."

both railways, Dr. Hall also recommends the creation of a "Heritage Fund" to provide full adjustments to past increases in the cost of living to existing pensioners and their survivors, which, he said, could come from a levy of 1 per cent of existing payrolls, shared equally by current employees and the railways.

Dr. Hall also proposes that the trusteeship of both CN and CP plans be removed from the railways and placed in the hands of an independent trust company.

In comparing railway pension plans with other plans in both private and public sectors, Dr. Hall concludes that the railway plans compare favourably with the best plans. As a representative group he selected plans from the private sector. The most important difference from the public plans he studied was that five of them provide full indexing of current pensions.

However, he fell short of recommending full indexing of the railway plans, and in this he drew criticism from William McGregor, chairman of the Canadian Railway Workers Association, which represents 17 rail unions. "It is beyond understanding how Dr. Hall can deny to railway pensioners the indexing benefits already being received by federal government employees," McGregor commented.

Canadian Transport, official journal of the Canadian Brotherhood of Railway, Transport and General Workers, criticized the report for making more specific recommendations, but leaving several items, including indexing, to be handled through negotiations. Among the items Dr. Hall listed as matters for "established collective bargaining procedures" are provisions for relating railway pension plans to the Canada/Quebec

Pension plans — integration versus stacking — provisions for credit for wartime service, vesting provisions, basing pensions on the best years earnings rather than on a five-year average, early retirement without penalty at age 55 and 30 years' service, provisions for handling deficiency payments and the re-opening of the 1959 CNR plan, and 2 per cent for all years of service.

Dr. Hall was appointed July 9, 1974 to undertake the inquiry after longstanding expressions of dissatisfaction with the pension plans by unions and pensioners' groups. He held hearings in 15 centres at which briefs were submitted by unions, companies and active and retired railway employees.

EMPLOYMENT

Hidden unemployment

New light has been thrown on the question of the "hidden unemployed" — jobless people not included in the official unemployment statistics — by a study commissioned by the Economic Council of Canada. It suggests they may amount to about 1.5 per cent of the labour force — or more than 150,000 persons — when the "measured" unemployment rate is 7 per cent.

The study, based on 1972 data, was prepared for the Council by Frank T. Denton, Christine H. Feaver and A. Leslie Robb, now with the department of economics at McMaster University, Hamilton, Ont., and published under the title, *The Short-Run Dynamics of the Canadian Labour Market*.

The authors contend that current data on the labour market, including the monthly *Labour Force*

Survey published by Statistics Canada, provide "snapshot" statistics describing the state of the market at various "points" in time. But these figures do not reveal anything about the "flows" of people entering, leaving, or acting within the labour force over time, and hence "obscure important aspects of labour market activity."

For example, they found that gross flows of population in the labour market could be very large even when net flows were relatively small. During an average month in 1972 the net change in employment, ignoring external changes, was an increase of 2,000, but this was the net result of much larger gross flows: 365,000 persons found work, while 354,000 either became unemployed or left the labour force. And these flows would have been even greater if external factors such as immigration and emigration were included, and if account were taken of people moving directly from one job to another without spending an interim period outside the labour force or unemployed.

The authors propose a new economic model, based on flow behaviour, to analyze the short-term performance of the Canadian market. This, they contend would permit a greater understanding of other important aspects of labour market behaviour.

For example, when unemployment rises, the unemployed may become discouraged in their search for jobs, and withdraw from the labour market — the so-called "discouraged worker" phenomenon. This results in a certain amount of "hidden unemployment" as people outside the labour force choose to delay their entry until employment conditions improve.

The authors also found that

although men and women generally responded to unemployment changes in much the same way, "a major exception was that the probability of an unemployed person withdrawing from the labour force increased for men when the unemployment rate rose, but decreased for women."

From their analysis, the authors concluded that the proportion of people experiencing unemployment over the course of a year was much higher than the "conventional" annual average unemployment rates would suggest "and that this proportion rises rapidly as the unemployment rate rises" — particularly for men under 25. They said their analysis "led to the suggestion that there might be 'hidden' unemployment amounting to about 1.5 per cent of the labour force when the measured rate is 7 per cent."

The study's findings prompted the Council's observation "that it is no longer realistic to view the labour force as being composed primarily of workers who stay put in their jobs, with only a few changing jobs frequently or experiencing recurring long periods of unemployment. Accordingly, the Council recommended that Statistics Canada, with the co-operation of other departments and agencies, develop, publish and analyze additional information with respect to employment, unemployment, gross flows, and the wages and incomes of families and individuals."

Government pledges efforts to promote hiring the handicapped

Canada Manpower Centres are being modified to make them more accessible to people in wheel-chairs.

Bud Cullen, minister of manpower and immigration, described the modification program at a seminar on employability of the handicapped, in Toronto.

He said a federal study of accessibility had found "shocking" results. As a result, 211 centres are being modified and another 77 relocated, as their leases expire, over a five-year period.

Cullen also reported on a study of employment barriers to handicapped people in the federal public service, conducted jointly by his department and the Public Service Commission.

The study found a need for special technical aids to overcome or minimize disabilities and for "testing and hiring techniques which give a true picture of an individual's ability." Several such proposals are being considered, and he said he hoped some could be implemented as rapidly as possible.

Dr. Bette Stephenson, Ontario's minister of labour, told the same seminar that her department is conducting research into its own staff's attitudes towards the handicapped and intends to develop a program to counter prejudice in hiring.

Occupational mobility in U.S.

About one-third of United States workers changed their occupation between 1965 and 1970, according to a study by the Bureau of Labor Statistics. The study also found more occupational mobility among younger workers than among older employees, and more among men than among women.

Dixie Sommers and Alan Eck, economists in the bureau's office of employment structure and

trends, based their findings on an analysis of 1970 census data. It showed that 32.2 per cent of people working in 1965 had transferred to a different "detailed occupation" in 1970.

They found also that "occupational transfers" were the most important source of separations and that "more than twice as many workers switched occupations as left the labour force entirely."

The greatest job stability was shown by lawyers, doctors and pharmacists, with under 10 per cent reporting job changes. Among the more mobile were bill collectors, computer operators, broadcast operators and garage and service station operators.

The study recommends more study of career change: "Occupational mobility is an important but relatively unexplored facet of job changes and of the supply and demand structure of occupations. Because the transfer of workers among occupations is a source of both job openings and new entrants to specific occupations, information on mobility is critical."

The results were published in the U.S. government's *Monthly Labor Review*, under the title, "Occupational mobility in the American labour force."

U.S. projections to 1990

The United States work force, which has been increasing at unprecedented rates since World War II, is expected to grow more slowly during the next 15 years, according to projections developed by the Bureau of Labor Statistics.

A 1.9-per-cent annual increase is anticipated for the latter half of the 1970s and a 1.1-per-cent annual

ease during the 1980s. They compare with an average rate of increase of 2.3 per cent during the first half of the 1970s. The civilian labor force is estimated to expand 0.1 million in the latter half of the 1970s, reaching 101.7 million in 1980. By 1985 it is projected to reach 108.6 million, and 113.8 million by 1990.

Behind the slowdown in growth is a sharp drop in the 1960s' birth rate, which means fewer youths will be reaching working age during the next decade.

Participation of women in the labor force, which has been increasing steadily for many years, is projected to continue to rise, although at a slower rate.

HEALTH AND SAFETY

Accident rates related to management safety policy

Concern by senior management for worker safety can reduce employee accident rates, increase productivity and lower absenteeism, according to a British study.

The Health and Safety Executive, an agency sponsored by the British government, based its conclusions on a survey of 46 factories in which it found a high relationship between low accident rates and management's concern for employee safety.

It also concluded that the single most important factor in a successful safety program was the support given by senior management in setting and enforcing strict safety policies.

The accident rate was highest in factories where the safety officer's

principal concern was "completing insurance claims, issuing protective clothing and checking to ensure compliance with legal requirements." It was lowest where the safety officer devoted time and energy to working with line managers and checking for work hazards.

Uniform standards on carcinogens

The United States Department of Labor is studying a comprehensive proposal for regulating cancer-causing chemicals in the work place.

The proposal, drafted by the department's Occupational Safety and Health Administration, would establish new, uniform standards for identifying and regulating all potential cancer-causing agents.

The uniform standards are intended to replace the slow, case-by-case regulatory methods followed until now. In its five-year history, the agency has completed individual regulations for only 17 of the 1,500 agents that have been identified as potentially carcinogenic.

The policy outlined in the draft intends to "devise a system for regulatory action which will assure a consistency of approach in regulating carcinogens."

JOB SATISFACTION

PS experiments with QWL

Senior officials are keeping a close watch on quality-of-worklife experiments — aimed at involving employees in workplace decision making — now underway in three federal government departments

(see p.173). Similar experiments in several European countries have increased productivity and reduced absenteeism, but the concept is relatively unknown in North America.

Participating in the 18-month pilot projects, launched in September 1976, are 24 key punch operators at Statistics Canada in Ottawa, 30 employees of the Secretary of State's translation bureau in Ottawa, and 140 employees at the audit division of Revenue Canada/Taxation's regional office in London, Ont.

Tom Dinan, a research officer for the Public Service Alliance of Canada, which is co-operating in the projects, describes them as "a way of gathering data to see what alternative ways of organizing work are possible in the public service."

"The projects involve joint decision-making," Dinan is quoted as saying in *Argus Journal*, a monthly PSAC publication. "It's the group rather than the supervisor that takes part in decision-making, while the managers get involved in long-range planning.

"In the past, attempts to improve the work stressed one particular aspect of the organization — such as job rotation, distribution, enrichment or enlargement — a piecemeal approach.

"The quality-of-worklife experiments are based on the realization that organizations are out of date and that they have to reflect changes in society. As a result the experiments are more comprehensive, involving numerous techniques and approaches."

Private consultants have been engaged to help conduct the projects. The experiments will be evaluated in 1978 and are under

the supervision of a steering committee with senior-level representation from the PSAC, the Professional Institute of the Public Service of Canada, Treasury Board, the Public Service Commission and the three departments whose employees are involved.

"Pleasant people" tops list

British typists, surveyed on what factors they consider important in choosing a job, ranked "working with pleasant people" at the top of the list. Next in order were pay and conditions, having a good supervisor, promotion prospects, keeping busy; "understanding the reason" for work, "having a say", high standards, small groups, and measuring work.

Nigel Bromage, principal of the Bank of England's Technical and Services Staff Division, surveyed 78 typists, ranging from trainees to experienced secretaries and supervisory staff.

He said the most important discovery of his survey, from a management point of view, was how misleading it can be "to attribute our own motivations to others." He observed: "Managers often make this mistake and my initial reaction to my results was one of surprise: I had assumed that typists and secretaries would have greater interest in their job than my results seemed to show; and I had not expected such emphasis on the job environment."

Instead of a desire for a say in the way work was organized, he found much acceptance of the status quo. "In many cases, particularly among junior girls, typists preferred to have work allocated to them and to be told what to do," he found. He found also that the factor of measuring work was always the least important and

there were often "very strong feelings" against the practice: "It was certainly not seen as a motivator and was widely thought of as unnecessary and even unfair."

Bromage, who reported his findings in the London periodical, *Industrial Society*, said they underline the importance of supervision: "It became apparent that there is still a lot of work to be done in this area. The girls particularly disliked too much emphasis on their juniority (late books, over-close supervision) and lack of concern for them as individuals.... Greater attention to training in social skills may be called for, concentrating even more than we do at present on the need for delegation and trust. There also needs to be rather more explaining about the reasons behind the work the girls are doing. Where this has been done the results are gratifying."

INDUSTRIAL RELATIONS

Labour board remedies

The rapid expansion of the functions of labour relations boards since the late 1960s is traced in a study published by the industrial relations centre at Queen's University — *The Expansion of Labour Board Remedies, a New Approach to Industrial Conflict*, by D.D. Carter, chairman of the Ontario board.

Until late in the last decade, the boards' principal involvement was in establishing industrial relations. They had, under most jurisdictions, the power to certify unions and some authority over the conduct of employers during organizing drives. But they had little "remedial" authority over such

areas as the conduct of bargaining, strikes or picketing.

Starting in B.C., however, and later in other jurisdictions, the boards' remedial authority has been gradually extended, largely through the extension of their power to issue orders and award damages.

The boards have gained broader powers to issue directives regarding strikes or lockouts and to deal with differences arising during a collective agreement — previously the private preserve of arbitrators.

As a result, the monthly *I.R. Research Reports* observes in summarizing the Queen's study: "Labour board remedies are now the primary remedies for resolving industrial relations disputes. Boards are concerned with fashioning a remedy that will improve the collective bargaining relationships, following an approach that places a heavy emphasis on accommodative techniques and avoids the punitive exercise of measuring the wrongfulness of conduct."

New instrument in Europe

The "social contract" is the new instrument in industrial relations in eight European countries — Austria, Belgium, Denmark, Finland, Britain, The Netherlands, Norway and Sweden. And an article in the U.S. government's *Monthly Labor Review* describes it as "the culmination of the trade unions' opposition to income policies concentrating primarily on wage controls, and their fight for broader political and social goals."

"The social contract merges these two issues into a single bargaining package, transforming wage agreements into a total labour agreement covering a wide spectrum of

lic issues," writes Solomon
kin, a professor of econo-
s at the University of
sachusetts.

kin says the social contract
ally consists of two sections
ough not necessarily in one, or
n in any specific document."
first is a comprehensive wage-
-income agreement between
trade union and the govern-
nt "in which employers may or
y not be a formal or active
y." The second concerns
lic policy issues and action
arding prices, corporate
dends, housing, rents,
ustrial relations arrangements,
ustrial government, aids to
ustry, private and public
estment policy, profits, social
efits and services, and taxes.

says the introduction of this
y form of bargaining and
ision making was facilitated by
e ascension of labour and
ial democratic parties" to the
trol of governments in many
opean countries.

IONS

ification sets precedent

Ontario Labour Relations
rd has certified the United
ment Workers to represent
ans employed by a private
npany on the Tyendinaga
erve near Deseronto, Ont.

precedent-setting decision
ne on the heels of a ruling by
provincial board that it had
sdiction over Indians who live
work on reserves if they are
mployed by a private company.
company, Four B Manu-
uring Ltd., had argued that the
ans came under federal
sdiction.

Of the company's 68 employees,
58 are Indians. The company,
owned by four Indian brothers,
sews uppers for North Star jogger
shoes, manufactured by Bata Ltd.
The Department of Indian Affairs
and Northern Development
provided \$232,800 in loans and
\$51,200 in grants to help the
company get started. And the
Canadian Executive Service
Overseas helped the four founders
organize their operation.

WOMEN

Problems of the poor

The poor, who most need help, fre-
quently have a harder time finding
it than do people who are better
off, a Canadian Council on Social
Development report observes.
Entitled, *Women in Need: a Source
Book*, the 92-page report finds low-
income women are particularly
handicapped in access to health
services, legal assistance, employ-
ment, day care and housing.

"Legal provisions for equal pay
without opportunities for work are
meaningless," the report says.
"Women who cannot find ade-
quate day care for their children
cannot take advantage of provi-
sions for equal pay. Women who
are not paid very much often have
problems finding adequate hous-
ing or obtaining health care."

Reuben Baetz, the council's
executive director, has said he
hopes the report will not only help
women in need know what their
rights are but will also "generate
among Canadians collectively, a
greater sensitivity to the problems
confronting this substantial and
growing sector of our population,
and through that concern help to
bring about the necessary social
and legislative changes."

Some of the report's observations:
Poor people, who live in crowded
housing with poor sanitation and
lack of adequate heat and light,
and who cannot afford to eat
healthy food, get sick more often
and die sooner than others in the
population. They often use
hospital out-patient clinics for
their medical care and are fre-
quently treated by medical
students or residents. They
frequently don't understand the
'expert' vocabulary of health and
other officials. They frequently
don't know their rights to social
assistance programs. The number
of one-parent families headed by
women is growing, and most
families headed by women are
poor.

Baetz, in a foreword, also
comments that the document
"contains little indignation about
the plight in which these women
find themselves," but adds:
"Nevertheless, any sensitive
reader cannot help but be com-
pelled to act by the profile of need
and frustration which emerges
from the factual information con-
tained here."

Women face fewer deterrents to work

Child rearing is no longer the
deterrent to working that it once
was, according to an article in
World of Work Report, published
by the Work in America Institute
Inc.

Women in every age group are
working today, the report says, and
48 per cent of all U.S. women are
in the labour force. "The greatest
increases are among younger
women in their twenties and early
thirties, just the age range when
women are most involved in child
rearing," writes David Robison. "In
fact, rather remarkably, among
married women the most rapid

increase in employment is among those with young children."

Economic need is suggested as the strongest motivator for married women entering the work force. But the report also notes, among other factors, increases in the service industries, which traditionally have hired more women; changing attitudes towards marriage and the family; an increase in the proportion of women acquiring college educations; women's own changing expectations and self-esteem; and a growth in women's economic and social independence, due, in part, to a rising divorce rate and a lower rate of remarriage.

WORKING TIME

Austrian vacations generous

All employees in Austria are entitled to 24 days' annual paid vacation, starting this year, and those with 20 years' service will get at least 30 days. Under new regulations, holiday entitlement may be accrued over three years.

The change also provides for one week of paid sick leave per year to care for a sick member of the immediate family. It also abolishes distinction in the leave entitlements of blue- and white-collar employees.

Swedish fathers lukewarm to paternity leave

Sweden's legislation granting fathers the right to seven months' paid leave to take care of their

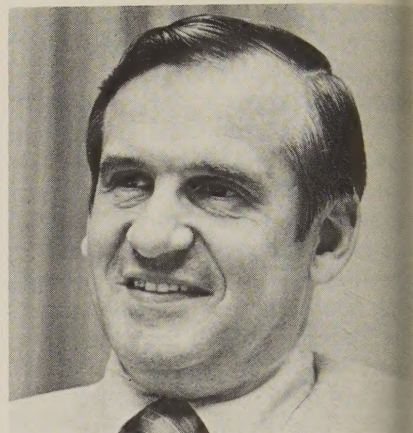
PEOPLE

Steelworkers elect Williams

Lynn Williams, 52, of Toronto has been elected secretary of the United Steelworkers of America, the first Canadian to hold an international executive post in the 1.4-million member union.

Williams was on the slate of candidates supported by retiring president I.W. Abel and headed by Lloyd McBride, 60, who defeated Edward Sadlowski, 38, in balloting to replace Abel.

Gerry Docquier, assistant to the director of Steel's district 5, covering Quebec and the Atlantic provinces, was chosen as the union's Canadian director, over Don Taylor, 46, assistant to retiring Canadian director William Mahoney. Taylor ran as an independent candidate. So did Gib Gilchrist, 54, area supervisor for



northern Ontario, who lost out in his bid to replace Williams as head of district 6 — Ontario. That post was won by Stew Cooke, a staff representative.

Jean Gerin-Lajoie was returned — by acclamation — for a fourth term as director of district 5, and Len Stevens, recently appointed head of Steel's new district 3, was re-elected to that post. The district covers B.C., the Prairie provinces and the Territories.

newborn children may have outpaced the social attitudes of the Swedish people, suggests *World of Work Report*.

The monthly periodical published in the U.S. points out that so far relatively few of the eligible fathers have taken advantage of the legislation — 2 per cent in 1974 and 7 per cent in 1975.

"Traditional sex-related child-rearing roles are still deep-rooted in Swedish society," *World of*

Work Report comments. "Many men, otherwise eligible for the program have found excuses not to participate or to keep their participation to a minimum."

Nevertheless, the periodical observes, Swedes are seeking an alternative to the existing system under which most children are reared during their early years almost exclusively by mothers or other females. It predicts that Swedish men will increasingly take a more active role in rearing their newborn children. 

case for an employers' organization in Canada

Roy J. Adams

of the problematic features of Canadian industrial relations is the degree of what may be called employer solidarity. Most western countries have a confederation of employers' organizations that acts as the national spokesman for the private industry. In general, these organizations encompass a greater percentage of their potential members than do their trade union counterparts. Not so in Canada.

The most visible employer organization is probably the Canadian Manufacturers' Association, but it speaks only for manufacturers. Important national organizations exist also in construction and in a number of other industries. Small businesses have their own organization and Ontario has a very dynamic leader in the form of John Bullock, president of the Canadian Federation of Independent Business. In Quebec and British Columbia there are province-wide general federations, but there is no national federation.

In recent years there has been substantial speculation about the establishment of tripartism as a permanent feature of our industrial relations system. Both the Canadian Labour Congress and the federal government have come out in favour of some form of regular national consultation on social and economic policy. But, we might ask, who is to speak for private industry? Because of the lack of a central organization, in recent meetings the government has invited top officials from several prominent firms. Do these indivi-

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duals really speak for all, or a majority of the business community? The government apparently assumes that they do. But why? They were not elected by their peers. They made no systematic attempt to assess the mood and attitudes of the business community as a whole. In fact, they are responsible to no one other than their own organizations.

There appear to be several reasons that a unified national employer organization has not emerged in Canada. First, the philosophy of free-enterprise and its concomitant individualistic ethic is stronger in North America than it is in Europe. Other countries have not felt so compelled to break up attempts by employers to act in concert. Cartels and monopolies of all types have generally been more accepted. Instead of breaking them up, governments have opted to carefully control the potential abuses of joint action.

Second, the nature and character of the labour movement have been important factors. European unions decided to expand their organizing efforts to include both

skilled and unskilled workers. The mainstream of the labour movements in Europe also adopted radical ideology in their early years. They branded employers as hardened capitalists who were determined to sweat as much profit as possible from the excessive toil of the workers. Thus, the unions called for either revolution or evolution in which the end product would be a socialist or communist society where seekers after profit would be prohibited. Faced with highly political movements which questioned their very existence, European employers were driven to united action to protect their interests.

In North America, while radical movements have appeared from time to time, pure and simple business unionism has been the dominant philosophy of the union movement. Moreover, until the 1930s and 1940s, the labour movement was elitist. By and large, it did not seek to organize the mass of labouring people but instead limited itself to highly skilled craftsmen who found themselves profiting from economic growth and the bargaining power of their limited-entry organizations. In short, most North American unions did not question the right of employers to seek profits. They only wanted a large and growing share of the pie.

This situation might have changed with the great expansion of the union movement in the 1930s and 1940s. Because they normally have less economic clout and more political power, organizations of

Most western countries have a confederation of employers' organizations

unskilled workers tend to make more use of the political weapon than do unions of skilled workers. Presented with a serious political challenge, employers might have felt it necessary to respond with a united political response. However, the passage of the Wagner Act in the United States and its subsequent adoption with some modifications in Canada made this step unnecessary.

The legislation created procedures whereby unions could win government certification as the legal bargaining agents for specified groups. It required that employers negotiate with certified unions with a view towards signing written agreements. It also required that differences over the interpretation of collective agreements be submitted to binding arbitration. In total, these provisions provided unions catering to mass production employees with a degree of economic power far superior to that of similar unions in Europe.

Contrarily, the law also restricted the growth of the union movement by rendering trade unions impotent in situations where they were unable to convince a majority of those in an appropriate bargaining unit to join. This aspect of the law solidified the resolve of unorganized employers to continue to fight unionization individually and gave them reason not to act in concert with those who were required by law to deal with unions.

Finally, the labour relations boards which were created by the legislation interpreted the law in such a way that bargaining units were created for employees with a very narrowly defined community of interest. This interpretation reinforced the tendency to bargain on a plant by plant basis and hindered the association of unionized employers.

Too many people place the entire burden of solving all socio-economic problems on government

In Europe, governments have not, by and large, attempted to regulate the process of bargaining. Instead, in some cases bargaining structures emerged from the early labour-management struggles and became embedded as a result of custom and practice. Determined to keep the unions out of the workplace, employers instead recognized the legitimacy of labour organizations representing the interests of workers at the industry and national level but not in the plant. In other cases, the government passed laws requiring employers to negotiate with unions whenever they were requested to do so, regardless of the number of relevant employees the union had organized. Such laws made it necessary for employers to maintain a united front. The alternative was to bargain individually with an endless stream of worker organizations. Once industry-wide and national negotiations came into existence, they helped to cement the need for continuing employer organization.

In addition to these "industrial relations" factors, Roy McLaren in his recently published report entitled "How to Improve Business-Government Relations in Canada" notes additional characteristics that distinguish Canada from other western countries and make employer solidarity more difficult to achieve.

1. Foreign ownership of companies operating in Canada is extensive, and foreign-owned firms may have many interests which diverge from those of domestically-owned organizations.

2. Regionalism, multiculturalism and strong provincial governments are decentralizing factors acting against national unity of employers. The effects of these factors are enhanced by the separation of the national capital from the centres of trade and commerce.

For all of the reasons noted above it may be understandable that no national employers' confederation has emerged in Canada. However, conditions in the 1970s require that serious consideration be given to exploring ways of overcoming these problems. We are plagued with inflation, industrial conflict, unemployment, regional disparities, and low productivity. In solving these problems the policies and actions of business and labour are critical. Too many people place the entire burden of solving all socio-economic problems on the government.

Employer solidarity in Europe has proven itself beneficial in several respects to both employers and the nation as a whole

There seems to be a widespread myth that government is all powerful. If this were true, it follows that all inadequacies of the social economy are due to the stupidity of government leadership and the bungling of bureaucrats. But this is a myopic view. We may have some poor leaders and many inefficient bureaucrats, but it is critical to realize that the power of government to solve national problems is limited by the countervailing power of the other primary actors in our industrial relations system. Either business or labour, if they were to exert themselves to the fullest, could probably undermine most unilateral actions taken by government. On the other hand,

of our problems might be solved more quickly and effectively if a national consensus were achieved.

Employer solidarity in Europe has proven itself to be beneficial in several respects to both employers and the nation as a whole. To improve industrial productivity, employer associations provide advice and guidance to members on such issues as industrial engineering, work layout, time and motion studies, occupational health and safety, labour law, wage salary administration, job placement, job enlargement and many other aspects of management. In Canada, employers who cannot afford it generally depend on consultants or internal specialists to provide such advice. These experts usually do not do more than deliver acquired knowledge, and many companies cannot afford them. The associations in Europe on the other hand, have always been in the forefront of developing new techniques and procedures and they have been able to distribute this new knowledge to their members quickly and efficiently. At the industry level, as noted above, Canada is entirely without an associational structure but McLaren found that the quality of association varies greatly. Few would meet European standards.

Against stagflation and skill shortages, European associations engage in highly sophisticated economic research and forecasting in order to estimate what the economy may bear in terms of wage and price movements. With these figures in hand they have developed guidelines to be used in collective bargaining, and proposals for government action. According to Kurt-Gerhard Erdmann of the German BDA, his confederation developed wage policy principles aimed at the consideration

of economic inter-relationships and at promoting price-neutral wage developments. In addition to other economic data the confederation considers the real growth of the gross national product as an important guidepost for the development of wages."

European associations engage in highly sophisticated economic research and forecasting

In Sweden, a team of trade-union and employer-association economists developed a model of the economy based on the assumption that wage policy should be consistent with full employment, rapid economic growth, reasonable price stability, more even income distribution and a balance of foreign payments. Their analysis (known as the EFO model) has already become a classic and is 'required reading' in economics courses in many countries, including Canada.

The shortage of skilled personnel in Canada is endemic and a 'Catch 22' syndrome characterizes the market for managerial manpower. Many small companies want to hire certain types of managers with five to 10 years experience but inexperienced candidates cannot find positions in which to acquire the specified background. Instead of complaining to government or whoever will listen, European management, via their associations, have placed high priority on vocational training and executive development. Effective programs for meeting these requirements have been put in place.

Many of our socio-economic problems result from a high level of labour-management animosity. As federal labour minister John Munro has emphasized in recent speeches, the legitimacy accorded to labour by management and the public in Canada is too low. This tends to make labour defensive and suspicious of any government



"AND FINALLY, HERE'S A GRAPH SHOWING THE TIME AND MONEY WE SPENT MAKING GRAPHS"

or management initiatives. The most recent example of this attitude was the recommendation by the group of businessmen who met with the government in September 1976 that non-union employees should be represented in national discussions by a spokesman other than the CLC.

...a 'Catch 22' syndrome characterizes the market for managerial manpower

European employers have realized the dysfunctional nature of this kind of attitude. They have recognized the national labour movement as the spokesman for working people in general, not because of their magnanimity but rather because it is in their best interests to do so. A strong and secure labour movement is likely to be a responsible labour movement more willing to reach agreement on ways of overcoming industrial and socio-economic problems. A primary advantage of national consultation is that it increases the probability that the government will not pass unacceptable legislation. According to Albert Verschuren of the Federation of Belgian Industries: "As often as possible the employers' spokesmen try to reach common conclusions with the union representatives, for the simple reason that such conclusions involve a much stronger pressure on government and public authorities."

Concerning France, Yves Delamotte says: "The State recognizes that employers' and workers' organizations, being directly affected

by certain legislation are well fitted to decide how it should operate and that when changes are desirable they can be introduced more readily if they are actively sought by the parties than if they are imposed from above."

Individual employers in Canada as well as the leaders of existing associations fear the formation of a national confederation because, as McLaren notes, "particular interests of certain industries might be lost in a merger (although not necessarily in a federation) or [because] a single new association would inevitably be dominated by its larger members." While these fears cannot be summarily dismissed we agree with McLaren that "this type of objection must be outweighed by the contribution that a well-financed federation, utilizing the professional research capacities of the various institutes, can make through the compilation of data, surveys, channeling of opinion to and from governments and co-ordinating the currently dispersed, inchoate and sometimes unsophisticated consultative and educational efforts of individual associations."

Recognizing the forces operating against employer solidarity in Canada, McLaren recommends that an immediate step should be the establishment of a Canadian Business Relations Council composed of businessmen, ministers and senior civil servants with a permanent staff. One of the responsibilities of this council would be to "encourage greater co-operation among business associations by arranging for joint

Individual employers in Canada...fear the formation of a national confederation

research and the provision of research done by governments, where appropriate. In time, this could encourage the formation of a federation of business associations, if co-operation results in a significant improvement in the expression of business advice to governments."

McLaren realizes that the creation of this council would not satisfy the need for labour-management co-operation. He therefore proposes the parallel establishment of a council for labour and goes on to say: "We imagine that if two such parallel councils were soon put in place (with some degree of common membership or at least an exchange of observers), it would be found that before long they would be working and meeting together on, for example, such a subject of prime common interest as productivity. Joint research, subcommittees on projects and joint meetings with government might soon become the usual practice."

Perhaps this intermediate step is necessary in the Canadian context. Past efforts by certain business leaders towards the creation of a national organization have not yet been successful. Whatever the scenario, it is to be hoped that the real advantages of employer unity both to employers and to the nation as a whole will become more widely appreciated in the not too distant future. [9]

Occupational health and safety: Contradictions and the conventional wisdom

Robert Sass

Occupational health and safety in Canada is underdeveloped, both as a field of normative endeavour and as a scientific discipline. As a field of normative endeavour, it has been less than successful in protecting and maintaining workers' health and safety, and as a scientific discipline it has not kept pace with the changing realities of work in the workplace.

Factors that hamper the development of the field can be classified under two categories — contradictions and conventional wisdom. Contradictions flowing from conflicting priorities within the political economy beset labour, management and government in their attempts to deal with occupational health and safety problems. Conventional wisdom — which is disguised as science — comprises much of our so-called "knowledge" in the field of occupational health and safety.

To explain the contradictions, it is desirable and, I believe, necessary to take an "industrial relations" perspective. Dangerous work is the greatest threat to workers' health and safety in the workplace, and the major forces shaping the future of work are management, labour and government — the chief "actors" in industrial relations.

Management, representing business interests and ideology, is primarily responsible for ensuring the survival of industrial and commercial ventures. In our political economy, this means providing acceptable profit levels.

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Beyond a certain subsistence level, healthful and safe working conditions rarely contribute — at least in the short-run time frame within which most business decision making takes place — to industrial productivity and profits. In fact, making the workplace healthier and safer usually involves an increased investment in equipment and processes, a better preventive maintenance program, more shutdowns, a slowing down of the pace of work, and so on. The financial burden of such programs sometimes even threatens an industrial firm's competitive nature or its very existence. Management faces a contradiction between health and safety concerns and production and profit priorities. It is both a mathematical and practical impossibility for management to maximize both concerns simultaneously. When forced to choose, management will understandably opt for profits. Management priorities reflect contradictions in our political economy, not a lack of morality in management.

Management priorities reflect contradictions in our political economy, not a lack of morality in management

Workers are becoming more aware of health and safety problems in the workplace and are negotiating for improvements. But labour, like management, faces certain contradictions. The very fact that labour so often has to negotiate for these improvements introduces a major contradiction. The implication is that to gain these improvements workers must give up something else. In its negotiations, labour will employ its most skilled bargainers. These persons, however, may not be familiar with health hazards emanating from our technology, and their thought habits place greater priority on traditional goals like salary increases. Moreover, bargaining agreements are often highly centralized and local health and safety needs may be overlooked.

As with management, workers' survival depends on the "health" of the company. Workers may face the threat of plant closure or displacement by automated equipment if they press too hard for improved health and safety. And when plants close down, it is not easy for workers to go elsewhere. It is at great cost to their way of life to transform personal circumstances and skills or break social or geographical ties.

Conflicts between occupational health and safety and job security mean workers face a dilemma when trying to improve their well-being. Reluctant to trade off other benefits to achieve health and safety objectives, labour appears to rely on government for health and safety reform.

Lately, government in Canada and elsewhere has been playing a growing role in occupational health and safety. Related legislation has been or is being introduced in most provinces. But powerful interests exert pressure on government, preventing it from dealing effectively with occupational health and safety problems. Because capital is liquid, industry can threaten to leave the province or country. For example, occupational health and safety legislation in Canada and the United States has led to the development of an asbestos industry in Mexico, where no such standards exist. The pull-out of capital is a strong political threat, with implications of lower gross national product and higher unemployment. Like management and labour, government faces perplexing contradictions.

Reluctant to trade off other benefits to achieve health and safety objectives, labour appears to rely on government for health and safety reform

Perplexing as the contradictions may be, they represent only half the problem. The other — endemic to the professions of medicine, law, industrial engineering, industrial hygiene, psychology and economics as they are related to occupational health and safety — lies in the kind of knowledge on which occupational health and safety practices are based. The conventional wisdom that prevails in the health-and-safety-related branches of these professions contains many myths, accepted uncritically by many so-called “experts”.

The professional person has, with good reason, considerable prestige in our society. He has devoted years of study to the mastery of



Labour, like management faces certain contradictions

his discipline and has won the respect of his colleagues through his proven competence. When he offers an opinion in his field of expertise, it carries weight. But professionalism has a negative side that we overlook, at our peril. The mastery of a discipline requires learning to think in a certain way. This often means excluding other modes of thought that under certain circumstances may be just as valid. Even today, there is ‘economic’ selection of those entering learned professions, which results in a tendency towards unawareness of the problems of workers. Also, because the professional person wants his ideas to be accepted by his peers, he tends to be conservative in his thought patterns. Because he is used to laymen relying on him for expert opinions, he is sometimes reluctant to admit ignorance when on the borderline or even outside his field of competence. Occupational health and safety is a field where the uneducated but experienced factory worker may know more about a certain aspect of a problem than does a company doctor, a lawyer, or an industrial engineer.

The employment of professionals in industry depends ultimately on their contribution to the company's profits, and this can introduce conflicts of interest where costly health and safety improvements may be indicated. Even when not employed by industry, the “experts” tend to approach occupational health and safety problems from an economic perspective. They seldom question the nature of work or understand

...the “experts”...generally employ a curative approach toward occupational health and safety, not a preventive one

the interaction between the worker and the workplace. They generally employ a curative approach toward occupational health and safety, not a preventive one.

Our profit-oriented society acts on the presumption that a more efficient process or chemical represents ‘progress’. Health and safety considerations are not a high priority, and the new chemical is

erally assumed safe until
en hazardous. Consequently,
kers are the guinea pigs that
e the safety or danger of
strial processes and sub-
ces. Deliberate use of humans
xperimental subjects being
ractical, the result is that
kers perform this function by
ult and without their consent.

rief examination of the profes-
s related to occupational
th and safety reveals how each
tributes to work hazards.

ustrial medicine is underdevel-
d as a science. In Canada there
no certification procedures or
anced courses for doctors prac-
ng occupational medicine. The
ustrial physician" is merely a
tor who practices medicine in
actory. Traditional methods of
medical profession tend to
ult in the physician seeing the
ividual away from his work
environment. Even the company
tor seldom goes onto the
ory floor. Hence, the physician
s silicosis and asbestosis as
blems of the lung, but seldom
ardrock and asbestos mining;
ring loss as a problem of the
but seldom of the pipe mill.
ough doctors are largely
amiliar with the nature of work
the workplace, we require
n to make judgements that
r training does not prepare
n to make.

ditional medical ethics set
at store by confidentiality. In
nary private practice it is clear
the purpose of this principle
he protection of the patient's
acy. But to whom does the
tor owe this protection when
d by a company to carry out
tical examinations of em-
vees? Sometimes the medical
a obtained are turned over to
company without informing the
kers of the results. In some
panies, workers are denied

access to their own medical
records.

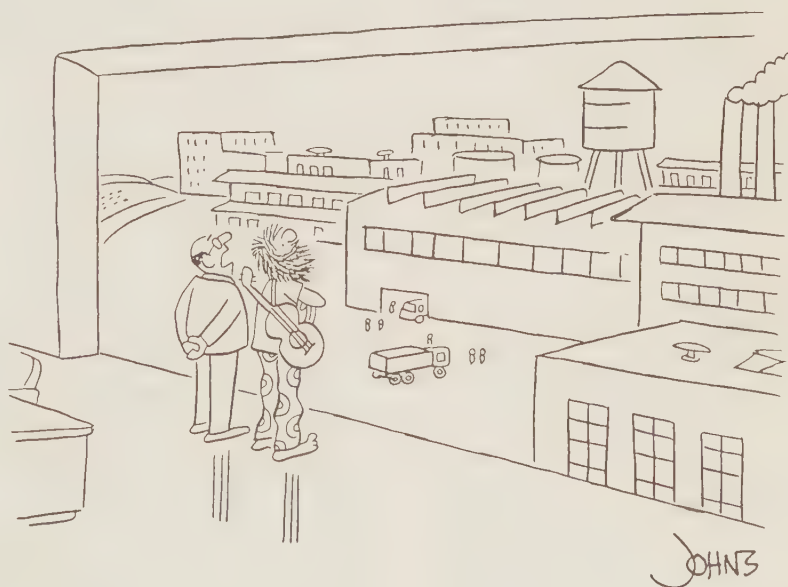
One area of great concern to those
interested in protecting workers'
health and safety is establishing
cause and effect relationships
between diseases to which certain

***...when it comes to workers'
health and safety, the legal
system often proves unwieldy
and frustrating***

occupations are subject and the
substances worked with in these
occupations. But many physicians
avoid offering an opinion on the
danger of a substance until they
completely understand its etio-
logical and pathological effects,
ignoring the common-sense impli-
cation of a relationship between
the use of a substance and
common health problems among
workers in occupations where the
substance is part of the environ-
ment.

Our legal system is our society's
institutional means of preserving
justice, as far as is humanly
possible. Unfortunately, when it
comes to workers' health and
safety, the legal system often
proves unwieldy and frustrating. In
the first place, lawyers' training in
case law emphasizes the conse-
quences of an injury and largely
overlooks preventive measures.
And the courts, too, depreciate the
importance of prevention; they are
lenient toward employers violating
safety regulations when no injury
has taken place. In a recent
Saskatchewan case, an employer
found guilty of violating health and
safety regulations was fined on
each count less than the cost of a
speeding ticket.

Another frustrating element is the
'beyond reasonable doubt' proof
standard. This is an unassailable
principle in criminal law when we
are thinking of the rights of the
individual who may be wrongly
accused. But what of the rights of
the asbestos worker suffering from
lung cancer? His rights are



" SOMEDAY, SON, ALL THIS...GOD HELP THEM...
WILL BE YOURS "

neglected by a legal system that puts the burden of proof on him and accepts alternative explanations of the cause of his disease (e.g. smoking) as constituting sufficient 'reasonable doubt' to exonerate the employer.

Since few lawyers or judges have worked as labourers or factory workers, they cannot be expected to appreciate the nature of the workplace. In cases where occupational health and safety regulations are alleged to have been violated, the legal professionals would profit from an inspection of the workplace. But viewing the actual scene of the hazard is not considered a normal part of court proceedings.

Workers' compensation is often held up as a system of ensuring that the rights of the worker will be safeguarded in the event of an industrial injury. However, it is a system which perhaps benefits industry more than workers. Paying compensation assessment is often cheaper than introducing preventive measures, and workers covered by compensation have to forfeit their right to sue their employer. While compensation provides a varying degree of income maintenance during disability, it fails to compensate for human suffering; and it has clearly been insufficient as an 'incentive' for corrective action to remove work hazards.

The shortcomings of the present legal system have led some to support the introduction of an occupational health and safety tribunal, similar to the Labour Relations Board.

Industrial engineering has been largely shaped by the theories of Fredrick Taylor and Frank Gilbreth, introduced at the turn of the century. Although called 'scientific management', this approach was

Paying compensation assessment is often cheaper than introducing preventive measures

not one of objective investigation but the devising of methods of controlling the worker — including time and motion studies and the 'one best way' method. Production lines were set up and jobs 'deskilled'. Craftsmanship was largely eliminated and workers paid less as unskilled machine tenders. Production-line work, which increased worker fatigue, alienation, and inattentiveness due to monotony, plus an emphasis on speed-up of production were in conflict with safety.

Even today, the influence of Taylorism persists in the field of industrial engineering. In general, the training that industrial engineers receive is aimed at providing skills that will assist industry in meeting its production requirements. Because of this and because of their dependence upon industry for employment, their involvement in the introduction of occupational health and safety innovations is usually limited to those instances where such innovations will coincide with industrial production and profit priorities, or where they are legislated. Industrial engineers usually perceive the worker and the workplace as being distinctly separate and are therefore unable to understand the health and safety implications.

The role of the hygienist has largely been defined by the perceptions of the medical profession and by the needs of the industries that employ hygienists. The latter are generally hired to monitor and control substances in a manner that minimizes the cost of compli-

ance with existing legislation, and to solve occupational health problems, not to prevent them. Much of their training is geared to solving technical problems (e.g., putting heat shields around motors) and not directly toward preserving the health and safety of workers. They have become an integral part of the administrative problem-solving team and their role has placed the success of the business ahead of protection of workers' health and safety when the two come into conflict.

A large part of the hygienist's role today centres around the establishment of Threshold Limit Values (TLVs) and Maximum Allowable Concentrations (MACs). The assumption behind TLVs is that a substance entering the body or coming in contact with it will be injurious at some level of exposure and tolerated without effect (for the great majority of the population) at some lower level. But

The whole question of the use of TLVs is a perplexing one for the industrial hygienist

cumulative effects for most substances are not yet known, nor are effects of interaction with other substances. The number of possible combinations defies analysis, and studies are generally not done unless there is reason to suspect a certain combination is particularly harmful.

The whole question of the use of TLVs is a perplexing one for the industrial hygienist. He may be asked to provide workers with a simple set of standards so that they can do basic monitoring in the workplace. But he knows non-professionals tend to see the TLVs as 'scientific absolutes' and may derive from them a false sense of



...rely on government for health and safety reform

urity. The conscientious industrial hygienist knows TLVs are only rough guidelines, but when he gets into more detailed discussions with either management or workers he may find he loses their attention and defeats his purpose.

Introducing TLVs and MACs governments may feel they must concern themselves not only with health and safety factors but also with possible effects on the economy. It takes time to get standards accepted by the profession and by government agencies. In *Work is Dangerous to Your Health* Stellman and Daum, the statement is made that "about 3,000 new chemicals are introduced into industry every year; yet standards are being developed for only about 100 new chemicals per year." The *Standard Reference Manual* of the American Conference of Governmental Industrial Hygienists estimated that in 1970, 6,000 to 10,000 toxic industrial chemicals

were in common use; yet it listed standards for only 410 of them.

Industrial psychologists and psychiatrists have attempted to identify psychological characteristics which make the individual 'prone' to accidents. Some psychoanalysts contend that accidents result from an individual's subconscious desire to punish himself. Other psychologists explain accident causation in terms of worker attitudes. Both approaches ignore industrial reality and have merely provided pseudo-scientific arguments — such as 'accident proneness' or employee 'carelessness' — for blaming the victims of industrial accidents. Although investigation into this area began in the early 1900s, 'accident proneness' has yet to be proven to exist. The best study in this field, by Crystal Eastman, suggests that many accidents attributed to the worker were really due to efforts to compensate for equipment deficiencies.

...classical economic theory is largely incompatible with health and safety

Based on the assumption that profit maximization is the ultimate value, classical economic theory is largely incompatible with health and safety. But today our society is gradually recognizing that growth in gross national product is not necessarily an indication of increases in the level of social well-being. It is being realized that viewing labour as a 'factor of production' dehumanizes the worker and artificially separates economic activities from other concerns.

Some contemporary economists

are taking a broader view than that of classical economics. For example, 'welfare economists' tell us that many industries impose damages or costs on society that they do not pay for. Instead, the victims and society absorb these costs — through loss of income, medical expenses, and social assistance — thereby subsidizing these industries.

But no 'social-cost' approach of economists can hope to work, because the ill effects of a given industry simply cannot be assessed. The issues are ethical, not economic in nature. What costs can be assigned to loss of life, shortened life span, disablement, or psychological trauma?

Work and the workplace not only produce commodities but human behaviour as well. Consequently, occupational health and safety must address itself to developing and understanding the nature of the interaction between the technical and the behavioural aspects of work. Too often each of these factors is looked at in isolation, as being separate and discrete. Clearly, with work and the workplace being a fundamental hub around which human activities and behaviour revolve and evolve (i.e., work viewed as being at the centre), the concept of the "social in the technical" becomes of paramount concern. This concept forms the empirical basis of the argument for increased worker participation in health and safety matters in the workplace. It indicates not only a need for an understanding of socio-technical interaction, but the need to apply such understanding in a manner that will enable workers to act, react, and interact in a manner consistent with their own health and safety. Worker involvement appears to be the key. 

The concept and application of employee participation in Canada

by Donald V. Nightingale

In the remarkably short postwar period of 30 years, industrial democracy has emerged as a significant social and political issue in many industrialized countries, and has been offered as the cure for a variety of social and industrial ills. In the Federal Republic of Germany, for example, co-determination was originally proposed by the Allies as a means of preventing the formation of concentrations of power in the hands of politically motivated industrialists. In Scandinavia, industrial democracy is a key element in the long-term spread of democratic ideology throughout society. In Britain, many argue that worker representatives on boards of directors would offer fresh perspectives on problems of lagging productivity and troubled labour-management relationships. In Yugoslavia, workers' councils were proposed as a means of guaranteeing public ownership of the means of production while avoiding a centralized Soviet-style planning bureaucracy. In Canada, worker participation is proposed as a means of reducing worker alienation and of moving toward more collaborative labour-management relations.

Industrial democracy has become the universal panacea for a variety of ills, and as experimentation with democratic forms of organization accelerates around the world, Canadians should examine the concept and carefully consider its promise and applicability in the Canadian context.

Donald Nightingale is an industrial psychologist and associate professor at the School of Business, Queen's University, Kingston, Ontario.

Conventional organizational forms are under challenge today in most Western industrial countries because they have not kept pace with changes in the larger society. Two changes that have particular relevance to the discussion of industrial democracy are the decline of traditional views of authority and the rise in levels of expectations and beliefs of 'entitlement'.

The break with traditional patterns of authority proceeded slowly during the first half of this century, but has accelerated in recent years with the decline in the influence of the church and with the advent of democratic teaching methods in the schools. Organizations in our society have always profited from the training and socialization of church and school. People were taught that questioning authority was morally wrong, that change could not be pursued other than through established channels and that it was one's duty to obey

Much of the confusion and apprehension over the concept of industrial democracy arises from the absence of a precise and commonly accepted definition

superiors. These precepts were of an absolute, transcendental nature and legitimized organizational norms of obedience and conformity.

Conventional forms of organization are increasingly in jeopardy as fewer and fewer of their members are socialized in the traditional way. The contemporary workplace, which values obedience and subordination, is in marked contradiction to our emerging social values, which celebrate individual expression, freedom and initiative.

The rise in the levels of employee expectations has been the subject of much commentary. The prosperity of the postwar period has created — particularly among young employees — a belief that they are entitled to a meaningful job, a rising standard of living, and, as a matter of social right, a voice in decisions that affect their work lives.

In light of these changes, the weaknesses of the system cannot be rectified by human-relations training, improvement of interpersonal relations at the workplace or by any other 'fine tuning adjustment' that does not change the nature of work itself and that does not give employees the sense that they are valued partners of and contributors to the enterprise.

Much of the confusion and apprehension over the concept of industrial democracy arises from the

sence of a precise and commonly accepted definition. In the most general terms, industrial democracy refers to a formal, definite structure through which employees participate (directly or indirectly) in matters that materially affect them at the workplace and through which management is accountable to employees as well as to shareholders).

The term *industrial democracy* can be clarified by examining three dimensions of the concept of participation in decision making:

1. the degree of participation permitted employees;

2. the issues subject to participation; and

3. the membership given the right to participate.

There are varying degrees of participation, as illustrated by the following scale (the further one proceeds to point 8 on the scale, the greater the degree of participation):

1. employees need not be informed about decisions made by management (except as necessary to conduct their work);

2. employees have the right to be informed after decisions are made;

3. employees must be informed extensively and given an opportunity to voice their views;

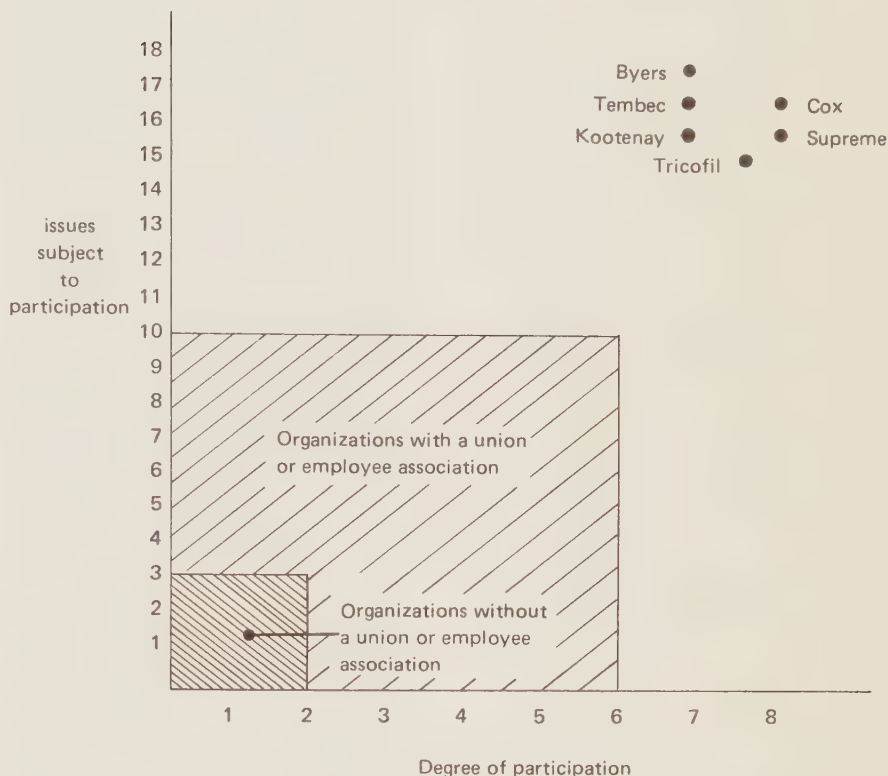
4. employees are consulted informally before a decision is made;

5. employees must be consulted formally before a decision is made;

6. employees participate informally with management in decision making; management (through residual rights) and employees (through the collective agreement) maintain the right of veto over some issues;

Figure 1

Some Canadian examples of industrial democracy compared to unionized and non-unionized organizations



Any organization can be represented as a point on the above figure. The more democratic the organization, the more toward the upper right hand corner of the figure will it fall.

7. management and employees jointly make decisions — in some cases employee representatives have parity with stockholder and management interests; in others, shareholder and management interests dominate;

8. employees have the final say in all decision making.

Participation may be extensive in its application and may concern decisions about organizational policy, investments, markets, new

products and profit allocation, or it may be limited to the administration of plant welfare programs, or to specific decisions on the shop floor about work assignments or work methods. The following list defines the scope of issues covered by formal participative structures:

"shop floor issues"

- 1) determination of holidays,
- 2) hours of work,

- 3) physical working conditions,
- 4) safety regulations and procedures,
- 5) work methods,
- 6) work standards and pace,
- 7) assignment and transfer of employees to tasks,
- 8) recruitment, selection and training of new employees,
- 9) salary grades,
- 10) job classifications of employees,
- 11) appointments of supervisors,
- 12) dismissal of employees,
- 13) promotion of executives,
- 14) determination of employee wage and fringe benefits.

policy issues

- 15) layoffs, job security,
- 16) choice of products, pricing, markets,
- 17) capital investment,
- 18) disposition of profits,
- 19) raising capital,
- 20) re-organizations, mergers, acquisitions.

Participation in organizational decision making may be limited to senior management (as is the current practice), may include middle managers (as with 'multiple management' programs) or may include employees from all hierarchical ranks.

All organization members can participate directly, or they may

participate indirectly through elected representatives. Direct participation is cumbersome when employees are numbered in the hundreds or thousands, and when issues are being decided that require training or prior preparation. Some organizations combine the two — direct participation in the smaller units and participation through representatives in the larger system.

Industrial democracy can now be defined more precisely in terms of the three sub-dimensions of participation. Industrial democracy is a form of participation in organizational decision making in which the degree of participation is (7) or (8); in which policy issues (15 and beyond) are subject to participation; and in which all employees, regardless of hierarchical level, participate in decision making.

There are only a few Canadian examples of employee participation in decision making that meet the criteria on all three sub-dimensions. Figure 1 arrays a number of Canadian firms on the dimensions of issues and degree of participation. All employees in these firms are given the right to participate — either directly or indirectly (through representatives).

Tembec Forest Products Limited is a bleach sulphite mill in Temiscaming, Quebec, employing about 560 employees. The mill was closed by its former owner, Canadian International Paper, because of falling productivity and poor prospects for long-term profitability. After 15 months of negotiations between CIP, employees and citizens groups (during which the mill was shut down and left untended and exposed to the elements), the mill was purchased in August 1973 by four executives with experience in the industry, Local 233 of the Canadian Paper-

workers' Union, a group of Temiscaming citizens, the Quebec provincial government and a small group of private investors.

The nine-member board of directors comprises the four founding executives, the president of the Canadian Paperworkers' Union and the president of Local 233, two representatives of the Quebec government and one representative of the private investors.

Important organizational decisions are not made at the board level

Initially, Quebec law would not permit a union member to vote on the board of directors of companies incorporated in the province, but in response to the Tembec program, the law has been changed, and the two union officials are now full voting members of the Tembec board.

Under CIP management, an average of 16 written grievances were filed per day; under the current arrangement, there are fewer than two per month. Tembec Forest Products is now making money and is doing well in a highly competitive industry.

Share ownership, profit sharing, employee representation on the board, and continuous bargaining, all play a role in creating a collaborative relationship between labour and management. [See also p.168].

Byers Transport is an employee-owned trucking company in Edmonton employing 125 persons. The firm, which had been losing money as a division of Pacific Western Airlines, was sold by the Alberta government in 1975 to a group of managers and rank-and-file employees.

ck in the firm can be purchased
y by employees, those leaving
firm must sell their stock, and
more than 15 per cent of the
npany's stock can be pur-
sed by any single employee.
ck value is based on a formula
t considers asset value and
npany performance on a month-
month basis.

e nine-member board of direc-
s consists of two non-company
ectors, three directors from
ior management ranks, one
ector each from middle and
ior management groups, and
o directors from the rank-and-
.

management negotiates wages
h its dockworkers and drivers
o are members of the Team-
rs Union. There are no other
rticipative bodies in the com-
ny, such as the works councils
the following example (Supreme
uminum), but the company may
ll embark in this direction in the
ure.

nce the inception of this pro-
am, productivity has increased
50 per cent and turnover has
en reduced by 30 per cent.
ee also p.170].

Supreme Aluminum Industries,
ch employs 300 persons, is a
nto-based manufacturer of
uminum cookware, ladders and
raulic equipment. A works
ncil made up of 18 elected
mployee representatives deals
n matters of policy as well as
to-day shop-floor matters. The
ose of the works council is
ensure fair treatment and to
ate and maintain an atmosphere
rust among all levels of
mployees where through co-
oration, respect and under-
nding, enthusiastic participa-
will be achieved" (from the
ks council by-laws).

Industrial democracy is not incompatible with trade unionism

The works council consists of six management representatives (from senior, middle and first-line supervisory levels) and 12 elected employee representatives, drawn from all areas of the plant. The works council meets at least every three months and has among its responsibilities, the determination of hours of work, vacations, job classifications and rates, working conditions, methods of production, operating speeds, grievance outcomes, layoffs, salary schedules, fringe benefits and annual salary increases.

The responsibilities of the works council have been broadened since its inception in 1970. As the employee representatives gain experience on the council, and as the philosophy of collaboration and sharing is more clearly understood by employees, the responsibilities of the council will continue to expand. Supreme Aluminum, once ranked fourth nationally in sales, is now the largest firm of its kind in Canada.

The Group at Cox is a dental equipment manufacturer in Stoney Creek, Ontario, employing 55 persons. Because of its size, this firm permits a good deal of direct participation by all employees as well as some indirect participation on a works council. The participation program of The Group at Cox can best be described by the following passage from *The Basic Credo of the Group at Cox*. "An individual has the right to:

- 1) participate in setting goals;
- 2) participate with co-workers (a community) in setting standards;

- 3) join a team, whose output is a meaningful part of services, and set productivity targets;
- 4) be in charge of some meaningful work (direct work) separate from daily direct work;
- 5) participate in the creation, or change, of Cox policy (unanimous consent required);
- 6) elect a representative who will work to ensure that policy interpretation remains in the spirit of the credo;
- 7) appeal to the elected representatives to uphold its rights;
- 8) be present whenever discussed and have access to panel meetings whose decisions directly affect him/her;
- 9) elect a separate representative to co-ordinate social activities (company stays out of private lives);
- 10) create and maintain health, safety, and personal growth at work;
- 11) share equally with other members in profits; and
- 12) be treated as equal to other members, with the exception of salary which is set by a participatory process."

Town hall meetings are held at least once a year and unanimous agreement on all issues is required before action is taken. Representatives (who are elected every six months from groups of roughly eight employees) meet monthly to discuss personnel policy, salaries, grievances, appeals, and so on. Again consensus among employees affected by a decision is essential. The company is expanding vigorously and has made promising inroads in

a market dominated by several large American firms.

To many observers, employee representatives on boards of directors appear to work well in Europe and this form of industrial democracy has been suggested as an appropriate model for Canada. Indeed, Tembec Forest Products, Byers Transport and Kootenay Forest Products all have employee representatives on their boards of directors, and all three are profitable, and models of effective and collaborative union-management relations.

However, there are some compelling reasons for approaching European style co-determination with caution. Firstly, if adverse employee reactions to the workplace arise from the absence of opportunities for self-expression, recognition and fulfilment, which come from a meaningful role in the organization, then any strategy that ignores the rank-and-file employee cannot work. Worker representatives on the board of directors do not alter the work experience of the average employee, and consequently do not eliminate his or her feelings of alienation and powerlessness.

The role of employee representatives on the board of directors is also a difficult one — especially for trade unionists. The role of representing employee interests in contract negotiations and at the same time having access to company data on costs, profits and competitive position is extraordinarily difficult to manage.

Finally, important organizational decisions are not made at the board level, and members of the board are rarely given the information essential to evaluate critically management's performance.

Industrial democracy is not incom-

Employee participation programs should directly alter the work lives of employees

patible with trade unionism. Both are premised on the belief that there are several legitimate and conflicting interest groups that must be heard and reconciled. Both trade unionism and industrial democracy seek to improve the welfare of the employee, establish equitable standards for layoffs and promotions, provide juridical mechanisms for grievances, and eliminate the subjective treatment of employees.

Under collective bargaining, however, recognition of substantial mutuality of interests, respect for the other and joint responsibility for organizational success are often missing. Changes in the workplace are not initiated and directed by questions such as "What is the most cost effective and mutually satisfactory way of doing the work?", but rather in terms of statements such as "This

is our prerogative under the collective agreement" or "This issue falls under 'residual rights'." Confrontation should not be the only process by which diverse and legitimate interests of different constituencies in an organization are accounted for and reconciled.

At this point in time, industrial democracy has little support among trade unionists and business leaders. Both groups are understandably reluctant to embrace a concept that would alter substantially the relationship between employer and employee and require the learning of new skills and approaches to labour-management problems.

The failure to examine critically and dispassionately Canadian innovations in industrial democracy is unfortunate. Increasingly, the discussion of industrial democracy in this country is taking the form of a debate between the doctrinaire followers of two schools of thought. One argues that the current system has worked well in the past and cannot

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Fewer than two grievances per month

tampered with, and the other
ues that disaster is imminent
d radical changes in the form of
ustrial democracy (or public
nership of means of production,
government intervention) are
essential.

hough employee participation in
cision making and employee
participation in the economic
ccess of the enterprise are
fferent concepts, they are never-
less based on collaboration and
e recognition of substantial
mmonality of interest between
our and management. (Tembec
rest Products, Supreme Alumi-
m Industries and The Group at
x each have profit-sharing
ograms and Byers Transport has
mployee shareholders.)

hough participation in profits
d participation in decision
making do not necessarily go
gether — many enterprises
mit profit sharing, but do not
ow participation in decision
making, and vice versa — the
laborative atmosphere and
uality of interests created by
ofit sharing can stimulate
ater employee participation in
as of decision making.

hough the academic and
ular presses have offered
ductive and compelling argu-
nts in favour of the widespread
option of industrial democracy
Canada, there are sound
asons for approaching this issue
h caution. Future experimenta-
n with industrial democracy
ould be guided by four criteria:

Employee participation pro-
ms should be designed for
al conditions, and should not
intended to be applicable to all
anizations. Universal 'blue-
nts' are inconsistent with the

diverse industrial relations juris-
dictions of the 10 provinces, and
with cultural, linguistic and
geographic differences in Canada.
Each organization should be
encouraged to implement systems
according to the economic and
technical requirements of the
business, the skills and training of
its personnel, as well as the size
and autonomy of the firm.

***In Canada, worker participation
is proposed as a means of
reducing worker alienation and
of moving toward more colla-
borative labour-management
relations***

The trend toward centralized plan-
ning and decision making—where-
by decisions materially affecting
employees are made by persons
psychologically and geographically
remote from the workplace—can
be counterbalanced by industrial
democracy programs that permit
those who do the work to have a
say in how it is conducted.

2. European programs of industrial
democracy should not be trans-
planted holus bolus into the
Canadian context. In this country,
we must be sensitive to the possi-
bility of flight of foreign and
domestic capital if sweeping
changes were made in corporation
law to permit greater employee
participation on boards of direc-
tors. Management continues to be
responsible to shareholders, and
the latter's interests must be
protected as new forms of
employee participation are sought.

3. Employee participation pro-
grams should directly alter the
work lives of employees and

should engage employees as part-
ners in the process of change. A
large number of Canadian firms
have undertaken 'quality-of-work-
life' (QWL) experiments that make
changes at the shop-floor level and
that give employees, through job
enrichment, and 'autonomous
work groups', a greater voice in
managing their work lives. In fact,
in the longer term, we may find
that innovative programs in power
sharing will percolate upwards
through the organizational hier-
archy.

Labour Canada and the Ontario
Ministry of Labour are in the
process of initiating QWL pro-
grams, which will act as resource
centres for managers and trade
unionists who need assistance in
implementing QWL innovations.

4. Experimentation should be
open-ended, with opportunities for
learning and discovery without an
a priori image of the end result.

There are a number of resourceful
and significant experiments in
power sharing underway in
Canada, and these experiments
illustrate that greater employee
participation in ownership and
decision making at the plant level
is possible in this country without
any alteration of political and
economic arrangements and with-
out jeopardizing organizational
effectiveness.

Greater employee participation in
decision making, in one form or
another, is inevitable in Canada. It
is to be hoped that experimenta-
tion with power sharing at the
plant level will continue and will
serve to guide those labour and
business leaders who wish to
promote the ideals of human
dignity, and personal freedom and
responsibility at the workplace. [9]

Where participative management works

by John Doig

He's a pipe fitter by trade, and a veteran trade unionist. He's had many battles with management in his time and he has a reputation for being tough. Nowadays he divides his working days between the union office and the boardroom, where he sits at the directors' table with his old foes, the bosses. He gets into battles there, too, and he's won some big ones.

A worker-director in Germany? In Sweden? No, he's Charlie Carpenter, the workers' man on the board of Tembec Forest Products Inc., in Temiscaming, Quebec. The pulp and paper mill was shut down by its former owners, Canadian International Paper, a few years ago. It was resurrected under ownership shared by the workers, four former managers, the Quebec government, and the local community [see also p.164]. For an enterprise recently doomed to extinction, Tembec has achieved remarkable early success.

Its future is by no means assured in the volatile pulp and paper business, but, more importantly, it is one of a growing number of companies in Canada that are experimenting with various forms of industrial democracy. The story of Tembec, and of Charlie Carpenter, and the others, has unfolded enough to demonstrate that industrial democracy can, and does, work in Canada.

Despite the protestations of leaders in business, unions, and the universities, the evidence is convincing. It is time for those carrying on the debate over indus-

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trial democracy to put aside the absurd notion that our society is so delicately different that it can't cope with mechanisms that have proved valuable in such politically and economically diverse settings as Yugoslavia and Britain, Sweden and Spain, Germany and Peru, to name but a few.

It's time for the debate to move from the question of whether industrial democracy should be fostered in this country to that of how it should be done. It should be abundantly clear by now that bold innovations are needed to improve industrial relations. Canada's record of strikes and lockouts has been about the worst in the world for the past several years. Productivity continues to decline. Now, with increasing strains in Confederation — and a huge foreign debt at a time when investor confidence is falling — the need for co-operation in the workplace is greater than ever.

The alternatives would seem to be obvious. Either the situation worsens or government is called upon to intervene — more directly and more frequently. Judging by the response of both business and

labour to wage and price controls, the latter option is at best a short-term solution.

Yet if we continue to rely on the present system of collective bargaining, with all its obvious weaknesses and failings, government will find it harder and harder to stay on the sidelines. This is *not* to say there should be an attempt to replace the collective bargaining system, a mischievous and misleading charge frequently levelled against advocates of greater worker involvement by those resisting change.

The Canadian proponents of industrial democracy — notably the federal deputy minister of labour, Tom Eberlee, and his Ontario counterpart, Tim Armstrong — have been at pains to make this point clear. Their oft-repeated aim is not to destroy collective bargaining, but to strengthen and enrich it. Their definition of industrial democracy (and mine) is deliberately loose. It implies a meaningful extension of opportunity to workers to share in decision-making, and/or ownership, in the workplace.

Advocates such as Eberlee and Armstrong are *not* — despite the claims of the cynics to the contrary — suggesting that Canada should simply attempt to transplant German co-determination or Swedish co-operation or Yugoslavian self-management. They're saying governments should merely create the atmosphere, with the minimum of legislation, for democracy in the workplace to grow as a co-operative effort.

...the workers now own 40 per cent of Tembec's stock

the great industrial participation debate should now be focusing on this point. How does government promote changes in industrial relations without sweeping intervention? A good starting point would seem to be the federal legislation making employee-management health and safety committees mandatory in companies under federal jurisdiction. Ontario is moving in the same direction, though not quite as quickly. Ontario law would require committees to be set up at the provincial government minister's discretion.

This initiative was obviously inspired by experience in Saskatchewan, where health and safety committees were set up, though a 1972 law, in all companies with 10 or more employees. The committees in Saskatchewan have, in the majority of cases, evolved to handle matters far beyond the confines of health and safety. Hundreds of them, according to Robert Sass, director of the occupational health and safety division of Saskatchewan's department of labour, are now involved in problems concerning production structures and speeds and "overbearing foremen," among other things.

Tembec, again, provides useful illustration. Without the benefit of legislation, the plant on the banks of the Ottawa River has spawned health committees. Usually composed of three or four members, they bring managers and workers together to discuss a broad range of issues — including job evaluation, safety and security, hiring, discipline, vacations, automation and technology.

These committees have not served to displace Charlie Carpenter in his role as president of Local 233 of the Canadian Paperworkers Union. Indeed, all his time — apart from the hours spent in the boardroom

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Charlie Carpenter

— is now devoted to the union job, but much less of it is taken up with the kind of minor irritations that, in a conventional Canadian workplace, grow into serious problems.

Tembec is perhaps the most outstanding of several examples of industrial democracy at work in the province of Quebec

"Before, even on the good days, there used to be about 10 grievances a day," he recalled in a recent interview. "Now, there's maybe one every three days, and we've gone up to six weeks without any." Far from hampering collective bargaining, the committees, and other forums for co-operation at Tembec, have served to extend it into a continuous process.

In a short while, Tembec has come a long way. When CIP decided to close the mill, there was no realistic work opportunity in sight



Productivity up sharply

for the 400-odd workers. Their average age was 47, and Temiscaming was a company town in a region of high unemployment. They fought, at town meetings and with appeals to government. For the workers, the struggle culminated with a blockage of the Ottawa River, when fishing boats blocked the passage of tugboats attempting to move about \$5 million worth of wood to another CIP plant downstream. Meanwhile, four former executives who disagreed with CIP's decision — brought about by corporate changes in the United States — were working to convince the Quebec and federal governments that the mill was still a viable operation. After some five weeks of discussion, a deal was struck.

In round figures, the workers, through a holding company called Atkwa, now own 40 per cent of Tembec's stock. The four managers who put together the financial plan own 43 per cent. Another 11 per cent is in the hands of a Crown corporation owned by the Quebec government, and the remaining 6 per cent is held by

people in the community. The workers have two representatives on the nine-member board of directors — Carpenter and Henri Lorrain, national president of the Canadian Paperworkers Union. Two other directors represent the Quebec government.

Aided by a payroll deduction plan, 400 employees each put up \$1,000 for Atkwa to acquire its stock. Then, in the first contract with the new company, they settled for a base pay rate about \$19 a week below the industry standard, gave up their pension plan and took cuts in sick-pay benefits. The understanding was that raises would be given and fringe benefits improved as profits allowed. The company opened its books to the union. A few months later, as bargaining evolved into a continuous process, the sense of the open-book arrangement was demonstrated in remarkable fashion.

The union put a wage proposal on the table at a negotiating session and, simultaneously, management tabled its offer. The two positions tallied exactly, for a raise of 35.5 cents an hour. Wages have gone up in several stages since then and a new three-year contract was signed recently after only three days of formal bargaining, compared to the months it used to take in CIP's days.

Productivity is up sharply. The mill produces three sheets of pulp in the time it used to take to turn out two. Part of the reason is an ongoing \$25 million expansion program, but, executives and union officials agree, worker involvement is a major factor.

Under the new ownership, the number of supervisors has been halved. Those who lost their jobs as full-time foremen are now head operators, sharing in the work, while other employees have more

Perhaps the most important new experiments in industrial democracy in Canada are taking place within the federal government

power to make decisions. Absenteeism has declined to less than half the 6 per cent rate for the industry as a whole, and one obvious reason is the company's profit-sharing plan. This gives all workers 10 per cent of net profits — enough to have more than repaid the \$1,000 each invested in stock. There has been sufficient retained profit to allow for the takeover of a paper mill in Niagara Falls, N.Y.

There is also, however, spending of another kind, which illustrates that a worker on the board need not be a sheep in wolf's clothing, a token in a managerial plot, as some would have us believe is always the case. Recently, management directors at Tembec proposed investing about \$500,000 to expand the plant. Carpenter persuaded them to postpone that program, and instead spend \$200,000 to improve working conditions in the mill, through better heating, air conditioning, lighting and lunch areas, among other things.

Although employee ownership and board representation have been important factors in the company's progress, Carpenter believes that *shop-floor democracy* has been mostly responsible for its success. That view is shared by senior management.

Tembec is perhaps the most outstanding of several examples of industrial democracy at work in the province of Quebec. Should it be argued that these are products of a social environment unlike any other in Canada, one only need

look at Byers Transport Ltd., of Edmonton, Alberta. [see also p.164]. This trucking firm, formerly a division of Pacific Western Airlines, had been in trouble for years before employees bought it in 1975. Through a series of reorganizations and management shuffles, annual losses grew from about \$70,000 in 1970 to \$480,000 in 1973. Morale was low, turnover and absenteeism high. While negotiations between the company and the International Brotherhood of Teamsters for a new contract dragged on, there was a two-day wildcat strike in 1973 and a provincial conciliator reported that continued intervention was useless because of the "atmosphere of hostility."

Employees began talking about buying the company when the Alberta government, which had acquired Pacific Western, made it clear it did not want to hold on to the trucking operation. Led by Sandy Slator, a senior executive, about 120 employees raised \$100,000 in equity capital, made up of 10-cent shares, with investments ranging from about \$500 to \$5,000. With aid from the Alberta Opportunity Co. (a provincial agency that supports new ventures), a \$1.3 million deal was struck under which the government bought Byers' land and buildings and leased them back to the new owners.

The employees took over in May, 1975. Slator designed the ownership structure so that senior management holds 30 per cent of the equity capital, middle management 15 per cent, junior management (including foremen) 10 per cent, and rank-and-file workers 45 per cent. No individual may hold more than 15 per cent of the stock.

Slator says he tried to strike an ownership balance that would prevent any one group taking

control. Although managers hold 50 per cent of the voting stock, they are at the level of foreman "will not identify as readily with the rank-and-file as with their seniors," he says. The 10-member board of directors includes three senior managers, two outsiders and two rank-and-file workers.

The company is run on fairly conventional lines. There are no European-style works councils or committees, although Slator, now president and general manager, wants to move in this direction. There is already an open-door management policy, which has formally opened channels of communication throughout the organization. It is this democratic approach to management, rather than the fact of employee ownership itself, that has made the miners experiment a success, according to Wilf Permann, bargaining agent for Local 362 of the United Miners, which still represents the miners in the firm.

Permann used to be one of those unionists sceptical of the whole concept of industrial democracy in a North American setting. He's changed his mind. "We had some reservations at first, but now we've seen it work we think it's a good thing," he said in a recent interview.

By the evidence so far, the success of the new company has been nothing short of dramatic. From a loss of \$480,000 in 1973, it ended, in the first year of employee ownership, a profit of \$250,000. There was a first-year cash dividend of 20 per cent on the shares, which have more than doubled in value to about 23 cents a share. In some instances, according to Slator, productivity has increased more than 50 per cent. Rank-and-file workers, who pack the trucks for long-distance hauls in northern Alberta and the Northwest Terri-

tories, are now loading up to 2,000 pounds of freight an hour, compared with about 1,200 before the days of employee ownership.

Claims for damages have declined from about \$125,000 a year to \$40,000, while income for cargo has risen from about \$4 million to \$6 million. Turnover among dock workers has gone down from 40 per cent to about 10 per cent.

It's time for the debate to move from the question of whether industrial democracy should be fostered in this country to that of how it should be done

Meanwhile, according to the Teamsters' Permann, pay rates at Byers "are as good as anywhere and the fringe benefits are a little better." Slator is confident that profits will continue to improve and the company will be able to exercise its option to buy back its land and buildings at the end of the five-year term agreed with the Alberta government.

Financial success has come about not so much through people working harder these days, several employee-owners said in recent interviews, but because co-operation has led to greater efficiency.

It's worth crossing the border, briefly, to look at what may be North America's most advanced model of industrial democracy, in terms of power-sharing at the board level.

Workers, with some help from the local community and government agencies, bought an asbestos mine near Lowell, Vermont, in the spring of 1975, about a year after the former owners, GAF, a diversified maker of chemicals, photographic equipment and building materials, decided to close it.

Managers and workers have equal strength on the board of directors, each with seven members, a 15th director representing minority stockholders in the local community. The formula wasn't deliberately planned — it simply turned out that way when the new shareholders met to elect their first board. It's fascinating, though, that it almost exactly matches the German co-determination model.

A consequence of the Vermont company's structure has been an almost endless round of board meetings (in the first year of the new company the directors met no fewer than 38 times). The process seems to have been well worth it, though, both in terms of financial success and worker participation.

To launch the new enterprise — The Vermont Asbestos Group — the miners raised \$100,000 by selling stock. At \$50 a share, about half the employees invested \$78,000, and friends, relatives and local businessmen put up the other \$22,000. Then a local trust company persuaded a group of seven banks to commit \$1.5 million in loans, guaranteed by the state of Vermont. A Vermont bank lent another \$400,000, backed by a

The Financial Post



'Now here we have a prime example of self-management in action'.

federal guarantee and, finally, GAF granted the miners a \$250,000 credit. The former owners had said they couldn't afford to keep the mine going, but, after less than a year of worker-ownership the new venture was debt-free.

In the first year, profit exceeded \$1 million. Pollution-control equipment ordered by the federal environmental agency had been installed ahead of schedule, and the laid-down standards exceeded. There was enough cash left over for the United Cement, Lime and Gypsum Workers' Union to win a 19.4 per cent increase in wages and fringe benefits — three times as much as any previous settlement negotiated between the union and the former owners. In two years, the value of a share bought for \$50 climbed to about \$2,750.

Mastermind behind the transformation of the company was John Lupien, a French-Canadian who used to be supervisor of the maintenance shop under the former owners. He's now a key member of management, as vice-president, special projects, and also chairman of the board. Lupien says the board usually reaches decisions through consensus, after intensive discussion, but there have been divisions along traditional management and employee lines that have had to be resolved by vote. Recently, for example, when the board considered expenditure to replace a haulage truck, the managers favored a 35-ton model priced at \$112,000. Mechanics on the board preferred a 40-tonner, costing \$130,000, for its engineering and safety features. After a long argument, the mechanics won. The decision meant that a garage would have to be remodelled, and maintenance shop facilities enlarged, at considerable

...all the examples cited here have come about through co-operation between businessmen, trade unions, and, to an extent, government

expense, to accommodate the new truck, but Duane Brown, a warehouseman with a seat on the board, assured his fellow directors that the extra money would be more than recovered through productivity gains.

Perhaps the most important new experiments in industrial democracy in Canada are taking place within the federal government.

Several of these have been launched within the past several months. One with major implications is unfolding in the Post Office. While confrontation continues to be the keynote in relations between Post Office management and the Canadian Union of Postal Workers (representing inside workers), the letter carriers are sitting down with management in several informal committees. "It's based on Swedish industrial democracy," says Bill Findlay, executive vice-president of the Letter Carriers' Union of Canada.

Management and union representatives are tackling problems on a day-to-day basis, under the general agreement that their decisions will not set precedents binding either the Post Office or the union in future disputes. Local postmasters have been given power to settle, in co-operation with union locals, grievances that previously would have followed a tortuous course through "official channels."

A major breakthrough has been achieved on the thorny issue of

third-class mail — "junk mail" as it's commonly known. This type of mail has been growing rapidly in quantity, to the annoyance of letter carriers — but it's lucrative business for the Post Office. Now, in return for slightly more pay, the posties have agreed to carry more "junk." The pay raises amount to a reward for higher productivity, according to a senior Post Office executive.

Similar experiments are underway at the federal Treasury Board and Air Canada. It should be emphasized that all the examples cited here have come about through co-operation between businessmen, trade unions, and, to an extent, government. Each undertaking has gone ahead without the framework of some permanent umbrella organization, such as the tripartite council proposed by the Canadian Labour Congress, or Germany's Concerted Action Program, which brings national representatives of business, labour, and government together every three months.

Cynics who suggest that industrial democracy cannot be seriously considered in Canada until the larger political and economic issues of joint consultation have been settled are therefore only clouding the question. There's no reason why worker participation, co-determination, self-management — whatever is suitable for the particular situation concerned — should not develop along the lines described above, independently of any national forum dealing with issues of the economy as a whole.

Government, labour and business might, however, meet frequently and informally to discuss ways of forwarding the process. The methods of doing that should now be the theme of the great Canadian industrial democracy debate. [19]

Federal "quality-of-worklife" experiments

Edward Cross

Many jobs are repetitive, demand few skills, and provide people with little freedom to make decisions. The public service, like most employers, has its share of employees who feel that their work is monotonous, trivial, meaningless, restricting and stressful. When this happens, workers may express their dissatisfaction in many ways, ranging from simple indifference to grievances and strikes.

Until recently, we have tended to accept these manifestations as the inevitable consequence of so-called "efficient" production. We now are beginning to realize that most jobs can be made more satisfying, and often with additional gains in efficiency.

Early in 1975 there was a small group of officials who felt that some actual experimentation with quality of Worklife (QOW) should be tried in the federal service. Discussions began with interested government departments, union officials, and the Public Service Commission. We also talked to management consultants, academics, and those with practical experience in QOW. As a result of these discussions, QOW experimentation was endorsed.

The frame of reference included:

There must be a genuine union-management partnership.

Unions and management must "shelter" the experiments to facilitate job and organizational changes while preserving basic employee rights.

Participation must be voluntary.

Unions, management and employees must have the right to opt out at any time.

Edward Cross is Treasury Board's project manager for the experiments.

- Employees would be encouraged to operate in autonomous, self-managing work units, free to experiment with their ideas regarding work and organization (subject only to minimum quality and quantity product or service output and budget limitations).

From a number of interested departments, three were selected for experiments. These were:

- Taxation (Regional office, London, Ontario) Audit section — 140 employees

- Statistics Canada (Ottawa) Key punch section — 24 employees

- Secretary of State (Ottawa) Translators — 30 in two groups

In May 1976, management and union representatives from the three experimental work sites met to select consultants who would work with the employees at the work sites and measure the results. It took some time for employees to understand QOW concepts and to discern the authority they were being given to try out their ideas in changing jobs and organization. Some groups initially leaned heavily on the consultants and have only recently begun to initiate things on their own. Employees required considerable help in learning to function as members of self-managing work teams.

Changes made in the early months of the experiments were mainly related to the job context, rather than the job content — flexible hours, compressed hours, time

banking, sick leave provision, working at home.

Changes now are beginning to occur in the actual work itself. Some work methods and the physical environments have been changed. Some functions, formerly performed by supervisors, have been taken on by employees. And some supervisors are now trying new roles, such as acting as resource people.

Our approach to QOW is based on the premise that if employees are given more opportunity to participate in the technology, tasks, processes and work organization, with the support of their unions and management, the result will be improved economic effectiveness and an improved worklife. This means creating work which provides: challenge, variety, responsibility, scope for learning and developing, opportunities to use skills and abilities, social contact, and an identifiable contribution to the final product.

I hope that by next year, we will have an interesting and successful story to tell. What has taken place in the experiments has clearly demonstrated that:

- our employees know a lot more about their work than we have been willing or able to recognize;

- they come to the workplace with the same expectations and needs that they have when they are at home or in the community; and

- if we can create conditions which tap this know-how and respond to those needs and expectations, we will have replaced the traditional win/lose situation with a win/win — with gains for both sides. 

Recent developments in labour education

by Roy LaBerge

The establishment of an integrated system for labour education is on the horizon, but whether that dream becomes a reality depends on the response of the Canadian labour movement. An editorial on that theme leads off a recent issue of *Canadian Labour* — quarterly journal of the Canadian Labour Congress — devoted almost entirely to labour education.

In one of six articles on the subject carried in the issue, Larry Wagg, national education director for the CLC, reviews developments in the field since a national conference on labour education, held in Ottawa in April 1975, gave the Canadian Association for Adult Education (CAAE), and its Quebec counterpart, the Institut canadien d'éducation des adultes, the responsibility of setting up labour education committees "composed for the most part of trade unionists, but also including representatives of colleges and universities."

The committees were recommended in a 10-point policy statement that also recognized the importance of paid educational leave, and declared that labour education is a right, not a privilege. According to Wagg, "this was a recognition that government funding for labour education was not only a necessity but that trade unionists wanted governments to recognize the uniqueness of this type of education."

In May 1976, the CLC convention adopted a policy statement on paid educational leave, calling for endorsement of the International Labour Organization convention

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and the passage of appropriate Canadian labour legislation, and urging all CLC affiliated unions to make educational leave a priority in collective bargaining. Since then, both the International Association of Machinists and the International Union of Electrical Workers have adopted policies on paid education leave, "instigated by their Canadian members," Wagg notes. The CAAE has met and formulated aims and objectives toward its role as a "link" between post-secondary institutions and the labour movement.

Another result of the conference, Wagg observes, is that more community colleges have become interested in starting labour education courses or establishing a labour studies centre or labour studies programs. This, however, has led to some "confusion," particularly in Ontario where there are more than 20 colleges and approximately one-quarter of these have some programs in existence.

"The definition of labour education is not always the same," the CLC director writes. "For instance, we do not consider as labour education a course or courses in a college that are mainly about

"...labour education programs should have a separate administrative identity as well as an independent budget"

labour-management relations, with a teacher from a business background, and a course outline the same as that taught regular students in business administration.

"We believe that labour education programs should have a separate administrative identity as well as an independent budget. There should be at least one full-time coordinator or administrator who not only must be knowledgeable in the field of labour education but who must recognize the role of unions in a democratic society. Ideally he or she would have a union background. We expect that these programs will be taught with a union bias and thus the instructors must be familiar with the goals and structures of the labour movement.

"There should be a committee of union members representative of the labour organizations in the college area. This, along with the college staff involved in the programs, should decide curriculum, instructors, and all matters pertinent to conducting the courses. It is not the role of the committee to tell a teacher how to teach a class, but the curriculum is the responsibility of the committee, and once that has been set, the teacher should be obligated to work within its framework. This is not dissimilar to any public education."

Wagg wants the "ground rules" clearly understood and adhered to. Experience had taught unionists that they had to "police" any collective agreement to ensure that workers were protected, and

ons would have to take a similar approach to any agreement programming at the post-secondary level: "We want to develop courses that will benefit union member and his organization. We believe that he or she has the right to that type of education from publicly funded institutions."

om a labour point of view, the most significant action," since the conference was the appointment of a CLC committee to study the feasibility of a national Labour Education and Studies Centre. The committee's report was accepted at the 1976 convention and distributed to all principal officers of affiliated unions.

at report foresees a need both to expand existing union programs and to take advantage of existing facilities and resources of post-secondary institutions. Again, Wagg writes, the institutions must recognize that any programs that are run in conjunction with the Labour Studies Centre must have to meet the criteria of the

The Labour Studies Centre would not be a "physical" centre but an "umbrella" for education programs, responsible to the unions...

Centre, and decisions as to curricula, resources, and instructors will also be the prerogative of the unions."

"Some may argue that this approach is too 'hard line' or that it violates 'academic freedom,'" he admits, "but it reflects a genuine desire by the labour movement to have a meaningful influence upon its own destiny and, more particularly, to promote the union members' right to access to education programs that will enable them to participate more fully in their union organizations and in society."

The Labour Studies Centre would not be a "physical" centre but an "umbrella" for education programs, responsible to the unions

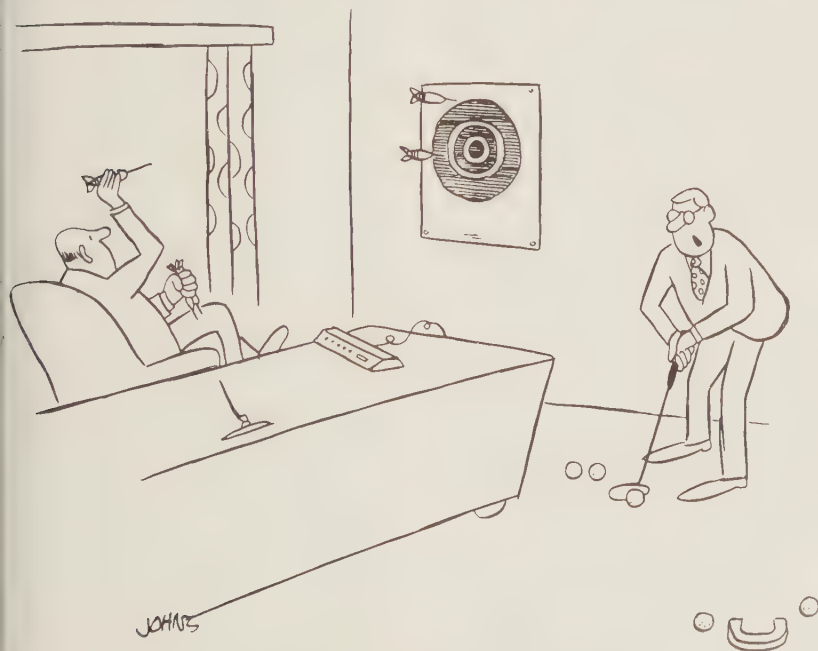
and their members through the CLC's executive council. This would not only maintain a link with existing union programs, but allow the Centre to maintain and develop a "progression" with existing programs. And any programs conducted with post-secondary institutions "will have to enable the participants, if they desire, to be part of this progression system as well."

He defines progression as "the opportunity for a participant to proceed from one course level to another in a sequential manner" but says this does not mean the students all must follow the sequences: "If they wish to participate in a course of their choice they may do so, but certain courses will require prior participation or enrolment."

This approach would provide courses that are "supplementary and complementary, avoiding duplication of effort, and thus best utilizing the already strained labour education budgets."

On the basis of those developments, Wagg looks to the future with optimism, "aware of the hours of hard work and dedication that will be required to develop this system. Success will have far-reaching effects upon both the union movement and Canadian society," he concludes.

In another article, Gregg Murtagh, education director for the Ontario Federation of Labour, describes successful efforts to introduce labour studies curriculum material into Ontario high schools. In the past, Murtagh writes, labour studies have been inadequate in the secondary schools because teachers lacked understanding of the topic, relatively neglected in universities. The OFL contracted with three teachers to prepare a series of curriculum guidelines for grades 9 and 10, covering a cross-section of labour studies in the



"I AGREE WE HAVE A BOTTLENECK SOMEWHERE IN THE ORGANIZATION, J.P., BUT THE TRICK IS FINDING WHERE IT IS."

Ontario context, including labour's political activity and history, labour laws and labour's future. So far, through district labour councils and local boards of education, the materials have been placed with 23 boards of education, Murtagh reports.

Jarl Bengtsson, a project leader and consultant in recurrent education with the Organization for Economic Co-operation and Development, discusses developments in recurrent or continuing education and manpower training in OECD countries. He observes

that there has been acceptance at the policy level of the idea that change is needed from a "concentrated education for the individual between seven and 25 years of age towards a system that would be available for an individual over his entire life cycle and in alternation with other activities." Nevertheless, he adds, "not very much is happening in the educational system" itself.

Ron Habkirk discusses the activities of a working group of rank-and-file union members who are studying training needs of people

employed in low-paid, dead-end jobs. The group is working under an agreement between the Manitoba Federation of Labour and the provincial department of Colleges and Universities. Habkirk is the MFL representative on the working group.

In other articles, Clare Booker, assistant to the CLC director of education, describes the CLC's weekend and week-long educational programs, and Jean Bezusky describes the work of the Labour College of Canada, in Montreal, of which she is associate registrar. 

Labour education by satellite

It appears that our political leaders, gradually becoming aware that healthy, militant and well-informed unionism is necessary and even vital to the internal dynamics of any industrial society, have in the past few months been more receptive to union education and more inclined to provide leaders in the labour movement with the material means to meet their educational objectives. In the provinces of Ontario and Manitoba, several courses in "labour education" have already been authorized and are being administered successfully at the secondary school level. Now the province of Quebec, and more particularly the University of Quebec at Hull, seem to be falling into step with this movement, the purpose of which is to give unionism its rightful place in our society, as a necessary and positive element of overall progress and an effective means of teaching democratic principles. Thus a primary objective of the University of Quebec at Hull is to educate and train teachers in "unionism" as a specific course of studies.

The University hopes that by giving educators an overview of the Quebec labour movement,

they will quickly learn to distinguish between the various types of unionism existing in the province, and that in the final analysis, they will be able to speak with skill and objectivity to their secondary school students.

To this end the University of Quebec has obtained from the Canadian government a "slot" in the timetable of the CTS (Communications Technology Satellite). The University uses this air time to offer a 45-hour course on the history of the Quebec labour movement, at the level of BA with specialization in vocational training.

The course is taught by Yves Asselin, who for seven consecutive years served as president and vice-president of the teachers' union in the Nicolet area (CEQ); it is intended for teachers of manual trades in the composite schools of Western Quebec. This is a three-credit course which requires that the student prepare a research paper of approximately 30 pages on the course topic.

The televised portion of the course is made up of nine segments of two hours of air time each. Each segment deals with a specific aspect of the union movement,

such as the way a union functions, or the co-operative movement and its applications. In each case the course calls upon resource persons who are experts on the subject in question; thus the students can communicate *directly* with people like Guy Chevette, who was one of the co-chairmen of the Cliche Commission, and ask them questions on a specific aspect of the topic under discussion. Indeed, the novel aspect of this form of instruction is that it permits direct oral and visual communication between a teacher and student who are separated by a distance of several hundred miles. An ingenious closed-circuit television system enables a speaker at any of the transmitting stations to see and speak directly to his viewers; similarly, the student may speak to his teacher or other students connected to the "omnibus network", regardless of the distance involved. Once this important first in television broadcasting is analyzed and improved, it will undoubtedly enable those responsible for labour education to make the CTS and its successors a valuable and effective tool of instruction. 

Francis Mallet
Ottawa

The Parti Québécois and Quebec labour

Pierre J.G. Vennat

November 26, 1976, only a few days before Quebec's newly-elected premier, René Lévesque presented his new Parti Québécois cabinet — which included Jacques Parizeau, a Jesuit, as minister of labour and manpower — and announced that Guy Chevrette, former vice-president of the Quebec Teachers Confederation and a former member of the Cliche Commission, would be his parliamentary assistant, the 173,000-member Confederation of National Trade Unions (CNTU) was denouncing the Parti Québécois in its own newspaper, *Le Travail*.

The day before the Lévesque announcement, the just-elected Parti Québécois member for Antimorency, Clément Richard, a former counsel to several hospital employee unions, had been expelled from the federation of social affairs, one of the major CNTU affiliates. His crime? — being a member of the "party in power."

It goes to show that although the Quebec labour movement believes that "its party" won the election, there may not be the honeymoon between labour and the Parti Québécois, that many expected.

Consensus has yet to be achieved among Quebec unions on the desirability of political independence. The fact remains, however, that nationalism, considered elsewhere to be a right-wing phenomenon, is a progressive force in Quebec. Although they have yet to agree on a formula for achieving it,

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Quebecers want greater economic autonomy from the federal government.

In order to understand Quebec's trade union movement, it must be remembered that as a general rule, Quebec employers — particularly large employers — are English-speaking, while the worker — the trade unionist — is French-speaking. This also explains why the Quebec trade union movement, now that it has adopted a nationalistic stance, is different from those in the rest of Canada and indeed the rest of North America. Above all else, the Quebec labour movement wishes to remain socialist.

That is why *Le Travail*, the official organ of the CNTU, in its November 1976 issue, had already begun putting some distance between itself and the Parti Québécois. As the paper stated, "The PQ is not socialist. It is a progressive and social democratic movement."

The article continued: "It is clear that the people of Quebec as a whole are being subjected to a national oppression originating

...there may not be the honeymoon between labour and the Parti Québécois that many expected

with the Canadian bourgeoisie and its government. This national oppression weighs upon all Quebecers in all spheres: political, economic, cultural and social."

Le Travail goes on to state that "the Canadian bourgeoisie is denying Quebec the right to self-determination and independence." It concludes that "the people of Quebec can now be considered to be engaged in a struggle for national liberation."

The newspaper gives the following reasons that differences are bound to arise between the Quebec trade union movement and the PQ:

The PQ's objective is an independent Quebec!

The PQ, however, is not challenging the economic domination of Quebec workers by the Canadian bourgeoisie and American imperialists.

For the workers who make up the majority of the population, national oppression takes the form of humiliation and exploitation at their places of work by bosses who are for the most part either English-speaking Canadians or Americans.

This domination also produces a great deal of insecurity and creates a vast pool of cheap labour, since at the present time one worker in ten in Quebec is unemployed.

Since the PQ does not represent the working class and is incapable of promoting the latter's fundamental interests, it will obviously

be unable to carry the struggle for national liberation to its logical conclusion, for even if it were to achieve the objective of independence, the lot of the worker would remain unchanged.

In order to continue this struggle and to abolish the capitalist system, it is imperative that Quebec workers organize as quickly as possible a true party capable of fighting the Canadian bourgeoisie, which is supported actively by Americans.

...the Quebec trade union movement, now that it has adopted a nationalistic stance, is different from those in the rest of Canada

This struggle against the oppression suffered by Quebec workers is inextricably linked with the struggle to build socialism and it should be pursued in co-operation with Canadian workers and with the support of the American people and all the oppressed peoples of the Third World.

The Quebec labour movement, of course, believes that "its party" won the election. The day after the election, the atmosphere of euphoria which prevailed was such that the 250,000-strong Quebec Federation of Labour rented a hotel suite so that Louis Laberge could proclaim that in bringing the Parti Québécois to power, "the people of Quebec have chosen a government that is not beholden to the powerful financial interests and that will be able to devote its attention to the real problems of Quebec's workers."

Not to be outdone, the QFL's main unionist rival, the CNTU, held a mini-convention in a parish hall

during which CNTU President, Norbert Rodrigue, loudly proclaimed that "this is both a victory for the people of Quebec and a resounding defeat for the Liberal administration." On the whole, however, the members of Quebec's major labour bodies appear to attach greater importance to the defeat of the Liberal Party than to the victory of the Péquistes.

Quebec's trade union movement does not want to repeat its mistake of 1960. It is an open secret that the trade union movement — the CNTU in particular, — flirted with the Lesage government during the '60s. This, however, did not prevent the government from taking the attitude that "the Crown does not negotiate with its subjects" — an attitude that marked the beginning of the confrontation between the Quebec government and its employees in the public and para-public health and education sectors.

This time, there is greater clear-sightedness. As the new president of the CNTU, Norbert Rodrigue, stated on the day following the election, "We cannot afford to relive the illusions of 1960." His predecessor, Marcel Pepin, assuming the role of prophet, foresaw this last summer when he wrote the following in his president's report:

"This time, as on the eve of the 1960 election, a new political team, the Parti Québécois, is preparing to receive the public's favour....The trade union movement must adopt a more rational and mature approach to events than it did during the Sixties. During those years, many people thought that life would change radically. Some improvements were of course felt, but the deep-seated causes of worker alienation were not

...the official organ of the CNTU...has already begun putting some distance between itself and the Parti Québécois

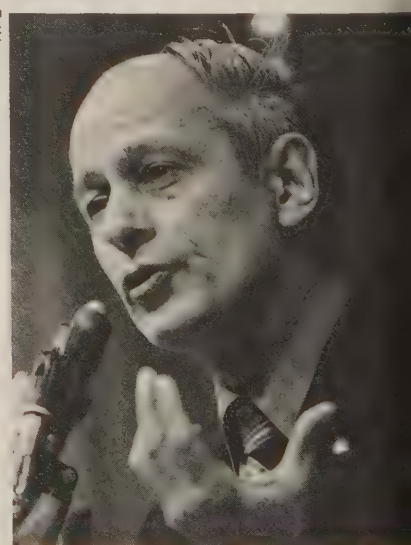
attacked. We must avoid repeating the disillusionment of the Sixties."

For his part, Louis Laberge, President of the QFL, made the following statement the day after the election:

"We have never hidden the fact that the PQ and the trade union movement differ on certain issues. We believe, however, that it will be possible to discuss worker demands with the government frankly and openly."

The QFL, overjoyed by the victory of the party which it had publicly supported did not dwell at length on the differences between itself and the PQ. Nevertheless, its president referred specifically to the adoption *in toto* of the recommendations of the 1974 Cliche royal commission inquiry into union freedom, which had become all the more likely

NFB



Lévesque

cause Guy Chevette, the newly-
elected member for Joliette riding,
was one of the three commis-
sioners, had just been appointed
parliamentary assistant to the
Minister of Labour and Manpower,
a move which did nothing to
assure the QFL.

The QFL is opposed to the Cliche
support in its entirety and to some
of the proposals in the Péquiste
program — for example, the
mandatory strike vote by secret
ballot. The QFL is also opposed to
another PQ proposal, — that
strikes be considered legal only if
they have been approved by a
majority of the workers entitled to
vote. Louis Laberge even went so
far as to say, "If this were the case
in politics, the PQ would not be in
power."

Moreover, according to the trade
unionists, the new PQ government
will have to grapple with
unemployment and rising prices.
In facing it is the problem of
external control over the
development of the economy, an
inadequate labour code, legislative
inadequacies which must be
remedied in order to deal with the
problems of worker health and
safety, and the chaos which
apparently exists in the fields of
health, automobile insurance,
garage and housing — in short,
many of problems enough to
baffle any apprentice politician.

Despite all these problems, the
Liberal government will try to
maintain the new atmosphere of
optimism for as long as possible.
The evening after his election
speech, in an appearance on the
television program "Le 60" on the
French-language CBC network,
Laberge spoke of a "favourable
disposition toward Quebec
labour." He also stated in the
same breath, however, that his
government did not feel obligated
to the unions, even though the

**Quebec's major labour bodies
appear to attach greater
importance to the defeat of the
Liberal Party than to the victory
of the Péquistes**

QFL had openly supported his
party during the election
campaign.

For their part, the Quebec labour
bodies share this view. They do
not feel beholden to the govern-
ment. As Louis Laberge stated,
"We owe the PQ nothing and they
owe us nothing." From all
indications, however, the two
major labour bodies, the QFL and
the CNTU, feel that the November
15 verdict represents a victory
from which they expect to derive
some benefit.

Although the Centrale syndicale
démocratique (CSD) — the
Congress of Democratic Unions —

did not support any party during
the election campaign, it has
nevertheless welcomed the PQ
victory because it believes that the
new government will be inclined to
give more support to the demands
of Quebec's textile workers, who
are seeking import quotas. It is
well known that more than one
third of CSD members are
employed in textiles and clothing,
two sectors of the economy that
are more dependent than others
on the trade policy of the federal
government. In short, the CSD, an
apolitical labour body, is delighted
at the election of an indepen-
dence-oriented provincial govern-
ment because it hopes that this
government will attach greater
importance to external trade policy
than is normally done by a
province.

It is clear that Quebec's trade
union movement has taken special
note of the new premier's remark
on the "favourable predisposition
toward Quebec labour" and
intends to frequently remind him
of it. 

Back issues of The Labour Gazette

A recent inventory shows that we
have on hand — free for the
asking — a limited number of
copies of the following issues of
The Labour Gazette:

1975: October, November,
December.

1976: March, April, May, June,
July, August, September,
October, November,
December.

1977: January.

Anyone wishing to receive any of
the above may obtain them by
writing to: Editor, *The Labour
Gazette*, Canada Department of
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The P.Q. and Quebec business

by Ghislain Dufour

Since November 16, 1976, the Quebec businessman has been waiting to see what decisions the new Parti Québécois government will take, particularly in the highly contentious and complex field of labour relations.

The use of the term 'particularly' is not meant to minimize the uncertainty prevailing within the business community with regard to more than a few of the constitutional, economic and social policies contained in the Parti Québécois program. The possibility of Quebec separating from the rest of Canada, the enormous costs of implementing the social reforms it is contemplating, and the economic role that it envisages for the government, all justify the anxiety being expressed in management circles. This anxiety will diminish only as the government reveals its true intentions and introduces new legislation and regulations that are acceptable to management.

However great these various concerns may be, the fact remains that the shape of future legislation in the field of labour relations remains one of the paramount concerns of the business community. Sometimes there is too great a tendency to underestimate the importance that companies attach to anything either directly or indirectly affecting the labour field, despite the fact that this is one of the key criteria in the many decisions normally taken by established companies or potential investors.

On the specific question of pos-

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sible government intervention, the Parti Québécois program contains nothing that would give even born optimists cause for celebration. The key points of its program in this area, as published in 1975, include:

- to facilitate the unionization of all employees by allowing, among other things, certification by sector and thus instituting sector bargaining;
- to make the application of the Rand Formula mandatory;
- to permit management personnel to unionize; and
- to ensure that when a legal strike occurs, a halt is called in the production of the unit engaged in bargaining.

It should be noted, moreover, that the party's program says virtually nothing regarding a comprehensive review of bargaining mechanisms in the public and para-public sectors, the establishment of an effective manpower policy, or the role of the government as employer in Quebec society, all of which are specific questions

...the shape of future legislation in the field of labour relations remains one of the paramount concerns of the business community

which now demand the attention of the provincial government.

A number of decisions or statements made since November 15 further contribute to management's uncertainty regarding the government's intentions in this field. Three of these statements or decisions are of particular interest:

- The government's decision to raise the minimum wage to \$3.00 an hour effective January 1 this year, whereas in Ontario, it is only \$2.65 an hour. This decision clearly confirms that the government is more interested in social and political than in economic issues. How else can the business community interpret this decision, since this most recent increase means Quebec has become the province with the highest percentage increase in the last two years — 30.4 per cent. Furthermore, in Quebec, the minimum wage is now 59.6 per cent of the average hourly wage, the highest proportion in Canada;

- The government's decision to fulfil its recent campaign promise not to abide by the anti-inflation wage guidelines in the public and para-public sectors, thus creating a discrepancy between the private and public sectors which is clearly disadvantageous to workers in the private sector;

- The constant use of statements to the effect that the government is favourably predisposed toward labour, which leaves the door open to all kinds of interpretations.

It should come as no surprise, then, in light of the key points in

party's program and the three principles described above, that management is in suspense and waits for a further indication of the specific directions in which the government will move. It cannot support the kind of approach which favours the universal application of the Rand Formula, at least until the new government has given special attention to the problem of union democracy. Nor can it, for basically the same reason, support the mass unionization of workers or abandon what it considers to be an inalienable right to continue working to maintain operations as long as it can even if its employees have decided to temporarily withhold their services.

The Parti Québécois program contains nothing that would even born optimists cause celebration

Management has not only criticized some of the proposals put forward by the Parti Québécois but is also attempting to ascertain what action, if any, will be taken on a number of matters it has raised in the past and which it intends to press with the new government. They include the maintenance of essential services, the long-sought-after certification of employer associations, and the question of whether the current restrictions placed on subcontracts under section 36 of the Labour Code will be maintained, whether legislation will be enforced, and whether the government will be prepared to define exactly what is meant by picketing.

The government has yet to reveal its views on these and many other issues despite the importance which management attaches to them. Thus, one can sympathize

The government would be well advised to do all within its power to dispel...the uncertainty prevailing within management circles

with the fact that management must continue to operate in a climate of uncertainty, first of all as it awaits the government's response to its own concerns, and secondly, as it faces government plans to which it generally cannot subscribe.

The government would be well advised to do all within its power to dispel as best it can, and as soon as possible, the uncertainty prevailing in management circles. In his recent inaugural message to the National Assembly, Premier René Lévesque indicated that his government was already working toward that end by deferring to a later session discussion of certain

written elements of the party's program. This is at least an indication that the theories advanced within an opposition party's program are not necessarily written into law the moment the party assumes power. Another hopeful sign is the fact that the new labour minister is willing to allow the Labour and Manpower Consultative Council, a tripartite advisory body formed by the Department of Labour and Manpower in 1968, to serve as the focal point for the discussion of labour relations problems in Québec. Unfortunately it has not performed this function in recent years.

This approach would encourage government responsiveness, meaningful consultation and co-operation, and would provide an opportunity to determine how realistic the government's proposals are — all positive steps toward improving what some people are now justifiably calling an uncertain picture. [g]

The way it was

Getting married or having a child was worth an extra \$10 to employees of a Quebec shoe factory in 1952. A clause in the appendix to a collective agreement reached between employees and management at Eudore Fournier and Son, Plessisville, Que., provided for the payment of that amount to a worker with a year's continuous service who married or became a parent.

In 1936, apparently for the first time, 12 workers employed by four Quebec firms were prosecuted for violating a collective agreement

under the province's Collective Labour Agreements Extension Act. The joint committee for the enforcement of the agreement in the fur industry laid a complaint in Montreal against the workers and their employers for violation of the terms of the agreement concerning hours. These employees had worked after nine o'clock in the evening, contrary to the agreement. The accused pleaded guilty and were required to pay the costs of the case. The judge issued a warning that for a second offence of this kind, a more severe penalty would be imposed. [g]

Labour legislation in Canada, 1976

Part 1C: Emergency legislation

by Nicole Marchand

In 1976, British Columbia, Ontario, Québec and the federal jurisdiction adopted emergency legislation to settle certain labour disputes affecting the **education sector, health services, provincial railway and ferry services** on the West coast and **longshoring operations** on the East coast.

Federal jurisdiction

On October 22, the Port of Halifax Operations Act ordering resumption of longshoring and related operations was passed by Parliament. The Act provided that the new collective agreement in force between the parties was the document signed between the Maritime Employers Association and the Halifax Longshoremen's Association, Local 269, tabled in the House of Commons by the minister of labour on October 22, exclusive of certain items of the rules of despatch. The Act prohibited strikes and lockouts during the term of the new agreement and provided for enforcement measures by means of injunction in case regular operations were not resumed at the Port of Halifax.

British Columbia

Employees of the British Columbia Railway Company, the Ferries Division of the Department of Transport and Communications, and

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those employees represented by the Hospital Employees' Union, Local 180, were ordered to resume their employment by ad hoc legislation in British Columbia.

The Railway and Ferries Bargaining Assistance Act received royal assent, June 14. Under Part I of the Act the minister charged with the administration of the Act may, with the approval of the lieutenant-governor-in-council, appoint special commissions to inquire into all matters pertaining to relations between employers, employees and their trade-unions. Part II of the Act ordered resumption of railway and ferry services 48 hours following the coming into force of this part of the legislation (which was June 15). It prohibited strike action and picketing of the place of business, operations or employment of the employer. It provided for the appointment by the minister of a board of arbitration to look into all matters remaining in dispute between the parties. The board of arbitration could refer to fact-finding, final offer selection or mediation to finality in order to make a decision which was to become final and binding upon the employer, the trade unions affected and the employees on whose behalf the

trade unions were entitled to bargain.

Part III of the Railway and Ferries Assistance Act provided that where an employer and a trade union are unable to conclude a collective agreement and the lieutenant-governor-in-council is of the opinion that an immediate and substantial threat to the economy and welfare of the province and its citizens exists or is likely to occur, he may, by order, prescribe a cooling-off period not exceeding 90 days. Strikes and lockouts are prohibited during the 90-day term and the minister must appoint one or more special mediators to assist the parties in concluding an agreement. Where the dispute is not resolved with the assistance of a special mediator he must report to the minister his recommendations as to the procedures that should be followed to achieve a collective agreement. If fact-finding is recommended, the minister may appoint a person to act as fact-finder whose decision, however, is not binding on the parties but is made for their advice and guidance.

In June 1976, the British Columbia legislature also adopted the Hospital Services Collective Agreement Act to settle a labour dispute between the Health Labour Relations Association representing certain hospitals and the Hospital Employees' Union, local 180. The

ordered resumption of hospital services, prohibited strikes and lockouts and invalidated any declaration, authorization or direction to go on strike given before or after the coming into force of the Act. Appendix I of the report of the special mediator appointed to the dispute prior to the passage of the legislation was deemed to constitute the terms and conditions of a collective agreement between the parties.

ario

In 1976, the Ontario legislature enacted emergency legislation on 11 instances to deal with work stoppages and disputes in the education sector. Secondary school teachers and the school boards of Metropolitan Toronto, York Region, Central Algoma, and St. Mary's and Windsor were affected by these ad hoc measures. In Central Algoma, the dispute was referred to a selector for determination and withdrawal of the parties from such proceedings was prohibited. In the other cases, the legislation provided for settlement by final and binding arbitration. Resumption of normal operations was ordered in school boards where strikes or lockouts had taken place immediately prior to the adoption of the legislation, and interruption of activities was prohibited until collective agreements were to come into effect.

bec

In 1973, an act respecting the maintenance of services in the education sector and repealing a certain

Toronto Star Syndicate



"Things usually work themselves out. For example, the high price of food spoils my appetite."

legislative provision, was adopted in April to end strikes and lockouts and to provide for the settlement of a dispute involving school boards and colleges and approximately 90,000 employees in Québec. The legislation ordered resumption of employment and prohibited strikes, lockouts, slow-down or diminution of regular activities in the education sector. It provided for the appointment by the lieutenant-governor-in-council of three commissioners to inquire into the dispute. The Act also established severe penalties in case of contravention.

In July, emergency legislation was also adopted to deal with a dispute involving nurses employed by local

community service centres, hospitals, social service centres and reception centres. An Act respecting health services in certain establishments became law on July 24, ordering resumption of services by employees whose conditions of employment had not been determined by agreement before July 23. These conditions of employment were established by Sessional Paper No. 151 dated July 23 in the National Assembly and constituted a collective agreement which will expire on June 30, 1978. The Act also provided for penalties in case of failure by the employees, the associations of employees, and the establishments to comply with the order to resume functions and services. [9]

comment

Takes issue with Jecchinis on workers' control

I normally do not comment on letters in magazines but Professor Jecchinis' comments (Nov. 1976) regarding your fine August issue of *The Labour Gazette* need some reply. I can well imagine his disagreement with Gil Levine and Kent Rowley; indeed there is much that I too disagree with in their papers. However, Professor Jecchinis' comments require some critical examination.

To claim as Professor Jecchinis does that the issue of workers' control is to be equated to the notion of the dictatorship of the proletariat is to miss the major goal of the workers' control movement — to reduce excessive centralized state power, whether it be capitalist, Stalinist or Fascist. Workers' control at the factory level then is a major goal of many democratic socialists who abhor the theory and practice of the dictatorship of the proletariat. To slur advocates of workers' self-management such as the great British socialists: G.D.H. Cole, Dame Margaret Cole, R.H. Tawney and Bertrand Russell is not only unjustified but is historically inaccurate.

Regarding the modern birth of German co-determination, I would only like to suggest that both Mr. Levine and Professor Jecchinis may have provided one-sided histories. My limited reading on the subject suggests that a decision was made at Potsdam to limit the

power of the German military industrial complex. Some of the suggestions by Allied authorities at the end of the war went so far as to suggest de-industrializing Germany. More moderate views prevailed, however, and co-determination was introduced in certain industries in the British sector, not the American zone. The proposals were mutually agreed to by both the occupation forces and the occupied country. One should note that in Britain the Labour Party was in power and the late Forties were marked by a very important debate and split on the issue of workers' control and self-management in that country. Thus it is perhaps not surprising that the idea of co-determination was received favourably by the British as a means of limiting monopolistic tendencies of German heavy industry and of democratizing German society.

On the question of foreign labour or 'guest workers' being a determining factor in German industrial growth, one can suggest a number of omissions in Professor Jecchinis' account. One does not have to believe in the Marxist analysis of class conflict to recognize the inadequate treatment of alien labourers. The lack of socio-political rights and economic benefits for these people in Germany in past years have been noted with dismay by a number of German researchers. Whether such deprivation was the

'key factor' or not in the German economic miracle is perhaps impossible to determine. However, no one can deny that the inferior treatment of these second-class workers has seriously tarnished any possible positive evaluation of German co-determination. Many of us would have been much happier to draw simple positive conclusions had the situation in Germany been less complex. Given the complexity however, one must temper all praise by noting the presence of such gross social inequality.

Finally, Professor Jecchinis suggests the benefits of foreign workers to their home countries is substantial and clear-cut. He fails to note, however, that given the recent economic recession and sudden 'return' to the countries of origin of these 'guest workers'; there are major re-evaluations of such arrangements. Less praising, Yugoslav commentators, for example, point out that such temporary 'loans' of labour to more advanced heartlands such as Germany frequently divert desperately needed skilled labour from developing countries and as a result postpone or seriously dislocate readjustments and stable growth of such underdeveloped economies.

Alan Whitehorn

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Books

Economists at Bay, by the experts will never solve our problems

Robert Lekachman, McGraw-Hill, 1976

Robert Lekachman, a professor of economics at Herbert H. Lehman College, City University of New York, has again enhanced his reputation — or notoriety — as one of the foremost critics of conventional economics as taught, and practised, in North America. Some economists will regard his writings as humour, most will dismiss them as the misguided musings of an economic crackpot. It is much easier to ignore them than to face the possibility that they might be correct.

Lekachman is right, few economists understand the real world we live in — a world of monopoly capitalism run for and by the major multi-national corporations. As Lekachman puts it: "Ignorance of the real world is more than bliss; it is very nearly a prerequisite to a successful career in conventional economics."

Economists continue to discuss, and teach, theories about markets that don't exist in practice, and analyze concepts of consumer choice that exaggerate "the economy of the average American" and drastically understate the manipulative arts of advertisers and sellers."

His "analytical lapses" are no accident, he contends, but the consequence of one of the profession's gravest failures of institu-

tional understanding — "the long-standing reluctance of economists to struggle with giant corporations — the dominant commercial institutions of the century. One ought to grant the large corporation pride of place in a catalogue of departures from the economists' competitive dream world."

Standard economics merely "compounds its sin" when it almost ignores trade unions and treats with "unpardonable naïveté" the consequences for analysis and policy of the close ties between political institutions and private interest groups."

He claims that few economists understand — or, consequently, teach — that when the corporations have power over markets, in the community and over the state, they are political instruments, not merely economic ones. For example, the City of New York was brought to its knees and forced to fire thousands of employees — policemen, firemen, sanitation workers and teachers — when a group of bankers refused to market the city's securities. Such power, exercised by a small group of people, bears no relationship to the principles of "free enterprise," Lekachman contends.

An example of economists' naïveté is their exaggeration of the benefits of annual growth of the gross national product: "If Americans decide to smoke twice as many cigarettes, GNP rises..." but if this enlarges medical expenditures on lung cancer, heart disease and emphysema, these outlays also "swell the GNP." If a new industry is built on a river, the GNP will go

up even more because the cities downstream will have to install anti-pollution equipment.

He states some of the realities of which most economists appear ignorant: "By common consent, price competition among the giants is discouraged as ungentlemanly...Wealth notoriously confers political clout, and the capacity to use that clout to enlist the authorities in the protection and enlargement of the owners' position in the world. It is well within our national resources to totally eliminate poverty as it is measured by Washington.

"Children and economists," he observes, "may think that the men at the head of our great corporations spend their time thinking out new ways to please the customers or improve the efficiency of our factories and offices. What they actually concentrate on is enlisting their governments to protect their foreign and domestic interests."

Lekachman recognizes that competition is not extinct: "There is an unplanned sector — retail trade, a few manufacturing industries and a dwindling band of family farms — that operates more or less according to the rules of price theory text books. But the planned sector — the largest part of manufacturing, finance, insurance and much professional activity — is manifestly more important and steadily growing."

Finally, Lekachman urges economists to revive the traditions of their masters — Adam Smith, Karl Marx, Thorsten Veblen and even

John Maynard Keynes: "Economics will never return to its former glories until economists take courage in both their hands, retreat from their inconsequential role as 'neutral' technicians, and once again act like social scientists in search of understanding and social change."

He doesn't provide any answer to the question: Who is going to hire economists who are seeking and proposing social changes and questioning such taken-for-granted values of our culture as individual responsibility, free enterprise, acquisitiveness and "competition" — as reflected in the existing

North American political-economic structures?

—Roy LaBerge

Roy LaBerge is a social sciences teacher at Algonquin College, Ottawa, and a former editor of Canadian Labour.

Research Notes

Collective bargaining

The Inflation Dilemma. Thirteenth Annual Review, Economic Council of Canada, December 1976.

A chapter in the Economic Council's latest annual review is devoted to recent collective bargaining trends. It concludes that a combination of past inflation, legitimate wage catch-up situations, and uncertainty about future inflationary trends and business expectations has had the effect of hardening negotiating postures, lengthening the bargaining period after the termination of contracts, and encouraging work stoppages.

"The Impact of Inflation on Strike Activity in Canada," by Douglas A. Smith. *Relations Industrielles / Industrial Relations*, Vol. 31. No. 1.

The state of the economy has been the underlying factor in creating disruptions in the collective bargaining system in recent years says Professor Smith. His statistical analysis shows that every additional percentage point of inflation leads to an extra 15 strikes per quarter, while an additional percentage point in the unemployment rate will restrain the level of strike activity by

approximately eight strikes per quarter. The clear policy implication is that the most effective method of reducing strike activity is through economic policy to reduce fluctuations in the rate of inflation rather than through legislated changes in the industrial relations system.

Flexible hours

L'horaire variable au Québec: rapport d'enquête. Québec, ministère du Travail et de la Main-d'oeuvre, 1976.

An analysis of the experience of 40 organizations which have introduced flexible hours indicates that the effects have been highly positive in most cases. Productivity has increased, service has improved, and there has been a reduction in lateness, absence, and overtime. The change has been favourably received by both management and employees.

Industrial democracy: U.K.

Report of the Committee of Inquiry on Industrial Democracy, January 1977.

Lord Bullock and a majority of his Committee propose that legisla-

tion should be enacted to make it possible for employee representatives to be appointed to boards of parent companies and of subsidiaries which employ more than 2,000 people. This would cover some 738 companies and about 7 million employees in Britain. Under the proposed "2x + y" formula, shareholders and unions would choose an equal number of directors and these would then co-opt a third group of directors. The third group would always amount to less than one third of the total.

Labour boards

The Expansion of Labour Board Remedies — A New Approach to Industrial Conflict, by D.D. Carter. Industrial Relations Centre, Queen's University, Kingston, Ont., December, 1976.

Until the late 1960s, notes the chairman of the Ontario Labour Relations Board, the attention of labour boards in Canada was focused on the establishment of collective bargaining relationships. Recent legislation, however, has provided them with an almost comprehensive jurisdiction over industrial relations disputes and with the remedial power to deal with these.

way pensions

ort of the Industrial Inquiry
mission Into Canadian Rail-
Pension Plans. Labour
ada, 1976.

any important respects, finds
missioner Noel Hall, Canadian
way pension plans compare
urably with others in the
ic and private sectors. How-
the pensions that are being
to many retired railway
employees are inadequate as a
lt of erosion through inflation.
Hall proposes that a "Heritage
d" be created, based on a levy
per cent of payrolls and

shared equally by current
employees and the companies, to
provide for the full "past COLA
adjustments" for current pen-
sioners, deferred pensioners, and
those in receipt of survivor's bene-
fits. There should also be a mecha-
nism whereby the interests of
retired employees could be more
effectively represented at the
bargaining table.

Teachers

*Compensation in Elementary and
Secondary Education*, Ontario
Committee on the Costs of Educa-
tion, Interim Report Number Six,
1976.

A major revision of Ontario
teachers' salary schedules is
needed to bring them more into
line with present practice in busi-
ness and industry says a govern-
ment-appointed committee. It
suggests that consideration be
given to the determination of
salary levels and employee bene-
fits through negotiation using the
principle of "fair comparison" with
"good employers." The committee
presents a model to show that
such a change is possible.

*The foregoing was prepared by Dr. Laurence
A. Kelly, an independent industrial relations
researcher in Kingston, Ontario.*

Additions to the Library

publications listed below are
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and publisher.

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I, Iorwith Wilbur. *Collective
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k, distributed by Columbia Uni-
ity Press, 1976. 629p.

I, Edwin Fletcher. *The practice
collective bargaining*, by Edwin

F. Beal, Edward D. Wickersham
and Philip K. Kienast. 5th ed.
Homewood, Ill., R.D. Irwin, 1976.
690p.

The fifth edition of this work
begins with a discussion of union
and employer organization for
collective bargaining in the United
States, and of government as regu-
lator in the industrial relations
system. The authors discuss
collective bargaining issues and
activities, and the particular
problems of public sector bar-
gaining. Case studies are included.

Daniel, William Wentworth. *Wage
determination in industry*. London,
P.E.P., 1976. 132p.

An analysis of wage policies in
Great Britain and their effects on
collective bargaining. Sample
surveys based on personal inter-
views with management and union
representatives contribute toward
an understanding of the process of
collective bargaining. The authors
found variations in important

aspects of labour relations in
British industry according to
differences in the economic, orga-
nizational and structural charac-
teristics of manufacturing plants.

Hutt, William Harold. *The theory of
collective bargaining, 1930-1975: a
critique of the argument that trade
unions neutralize labour's 'disad-
vantage' in bargaining and
enhance wage rates by use or
threat of strikes*. London, Institute
of Economic Affairs, 1975. 140p.

Quinet, Félix. A discussion of two
topics directly related to the insti-
tution of collective bargaining: 1.
The role of the Pay Research
Bureau; 2. The process of techno-
logical change. Ottawa, Pay
Research Bureau, Public Service
Staff Relations Board, 1976. 1 v.

Sheiffer, Victor Jack. *Technolo-
gical change and collective bar-
gaining: experiences in the New
York milk-distributing industry,
1939-1972*. Ann Arbor, Mich., Xerox
University Microfilms, 1976. 545p.

Employment statistics

U.S. Bureau of Labor Statistics. *U.S. workers and their jobs: the changing picture.* Washington, G.P.O., 1976. 1 v.

Equal pay for equal work

Ontario. Ministry of Labour. *Equal pay for work of equal value*, a discussion paper. Toronto, 1976. 106p.

Industrial health

Canada. Commission of Inquiry on Health and Safety in Grain Elevators. *Report of the Commission of Inquiry on Health and Safety in Grain Elevators*, appointed by the Minister of Labour pursuant to subsection 86 of the Canada Labour Code, October, 1976. Vancouver, 1976. Commissioner: W.D. Finn. 2 v.

International Labour Office. *Working environment: atmospheric pollution, noise and vibration.* Fourth item on the agenda. Geneva, 1976. 1 v. Titre en français: Le milieu de travail: pollution atmosphérique, bruit et vibrations.

Industrial relations

Forseback, Lennart. *Industrial relations and employment in Sweden.* Stockholm, The Swedish Institute, 1976. 137p.

An up-to-date analysis of the Swedish industrial relations system. Following a brief history of the Swedish trade union movement, the author discusses Swedish labour market organizations, rules governing collective bargaining activities, the bargaining process and wage policy. A forward look is taken toward Swedish industrial relations in the 1980s.

Barrett, Brian, ed. *Industrial relations and the wider society:*

aspects of interaction, edited by Brian Barrett, Ed Rhodes and John Beishon, assisted by Gail Midgley. London, Macmillan for the Open University Press, 1975. 466p.

A collection of contemporary articles for both students and practitioners in industrial relations. The choice of material reflects a wide range of views; some typify an approach to the study of industrial relations or provide important insights into one aspect of the subject, while others summarize a number of viewpoints.

Job enrichment

Carby, Keith. *Job redesign in practice.* London, Institute of Personnel Management, 1976. 68p.

Labour organization

Milligan, Stephen. *The new barons, union power in the 1970s.* London, Temple Smith, 1976. 254p.

Thakur, Manab. *White collar unions*, by Manab Thakur and Michael Naylor. London, Institute of Personnel Management, 1976. 88p.

Wood, William Donald. *The current trade union scene, patterns and trends*, by W.D. Wood. Kingston, Ont., Industrial Relations Centre, Queen's University, 1976. 68p. (Queen's University. Industrial Relations Centre. Reprint series no. 33)

Pensions

Drucker, Peter Ferdinand. *The unseen revolution: how pension fund socialism came to America.* New York, Harper, 1976. 214p.

Drucker predicts that by 1985, at the latest, employee pension funds will own at least 50 per cent of the equity capital of American business. He discusses the implications of "pension fund socialism" in relation to American economic

structure and policy, inflation, capital formation, jobs and retirement, and the future of social security. Suggestions are made toward reform of the American pension fund system.

Retirement

Korn, Richard. *A union and its retired workers: a case study of the UAW.* Ithaca, N.Y., New York State School of Industrial and Labor Relations, Cornell University, 1976. 60p.

A survey of the organizations and activities established by the UAW for its retired workers. The efforts of other unions on behalf of their retired members are broadly discussed. The UAW has emphasized the importance of co-operation with the community in developing its retiree programs.

Women — Employment

U.S. Women's Bureau. *The role and status of women workers in the United States and Japan*, a joint United States-Japan study. Washington, G.P.O., 1976. 247p.

Work satisfaction

Job satisfaction — a reader, edited by **Michael M. Gruneberg.** New York, Wiley, 1976. 254p.

The first section of this collection of articles defines the nature of job satisfaction. The following sections discuss the nature of the job, environmental factors and individual differences as they relate to job satisfaction. The book concludes with an examination of the effects of job satisfaction and dissatisfaction on worker performance.

Kanungo, Rabindra N. *Analyses of employee behavior in a bicultural context.* Montreal, Faculty of Management, McGill University, 1976. 37p.

PRICES, EMPLOYMENT, AND EARNINGS

Consumer, February

The all-items Consumer Price Index for Canada (1971 = 100) advanced 0.9 per cent to 155.4 per cent in February from 154.0 per cent in January, and was 6.7 per cent higher than a year ago. Almost three fifths of this increase is due to a 2.0 per cent rise in the food index, mainly because of higher prices for fresh produce, especially vegetables, and for coffee, pork, bread and restaurant meals. In February, the index for food consumed at home was 2.4 per cent, the first year-over-year rise in the level of this index since mid-1976.

Increased shelter charges for both owned and rented accommodation, as well as higher clothing prices, were largely responsible for the 0.5 per cent rise in the index, for all items excluding food. Other contributing factors to this advance included higher electricity rates in some municipalities, increased charges for barbering and hairdressing services and higher beer prices in Ontario.

In terms of goods and services, the price level of goods, including food, increased 1.1 per cent in the last month, while that for services increased 0.6 per cent. Seasonally adjusted, the all-items CPI advanced 0.8 per cent between January and February. This included a 1.7 per cent rise in the food index and a 0.6 per cent increase in the index for all-items excluding food.

City consumer, February

From January to February, consumer price indexes rose in all regional cities. Increases ranged from 0.4 per cent in St. John's, Nfld., to 1.4 per cent in Thunder Bay. Rising food prices — notably for fresh fruit and vegetables, coffee, and selected meat items as well as for restaurant meals — contributed substantially to the changes.

In five cities — Halifax, Saint John, Quebec, Montreal and Winnipeg — the increase was 1.1 per cent. Percentage increases in the other nine cities were: 0.4 in St. John's, 0.7 in Calgary, 0.8 in Saskatoon, 0.9 in Toronto and Regina, 1.2 in Ottawa and Edmonton and 1.4 in Thunder Bay.

Between February 1976 and February 1977 percentage increases recorded in the 14 regional cities were: 9.1 in Vancouver; 8.7 in Regina; 7.9 in Edmonton; 7.6 in Winnipeg; 7.5 in Quebec; 7.2 in Calgary; 7.0 in Montreal and Ottawa; 6.8 in Saskatoon; 6.4 in Saint John and Toronto; 6.3 in St. John's; 5.9 in Thunder Bay; and 5.7 in Halifax.

Employment, February

The seasonally adjusted employment level in February was 9,656,000, an increase of 25,000 from January, Statistics Canada reported. The level decreased by 10,000 for men 15-24 years old and by 2,000 for men 25 years of age and over. It declined by 5,000 for

women aged 15-24 and increased by 38,000 for women 25 years of age and over. By province, the seasonally adjusted employment level increased in Newfoundland by 4,000; in Prince Edward Island by 1,000; in Alberta by 13,000; and in British Columbia by 5,000. It decreased in New Brunswick by 3,000; in Quebec by 3,000; in Ontario by 4,000; and in Manitoba by 3,000. In Saskatchewan and Nova Scotia the level was unchanged.

Unemployment, February

The seasonally adjusted unemployment rate for February (829,000) increased by 0.4 per cent to 7.9 per cent. For men aged 15-24, the rate increased by 0.7 per cent to 14.5 per cent, and by 1.4 per cent to 14.2 per cent for women in the same age group. The rate increased by 0.3 per cent to 4.7 per cent for men 25 and over and for women in the same age group it remained at 7.0 per cent. By province, the unemployment rate increased by 1.5 per cent to 15.1 per cent in Newfoundland; by 0.5 per cent to 9.0 per cent in Prince Edward Island; by 1.1 per cent to 11.0 per cent in Nova Scotia; by 0.7 per cent to 9.7 per cent in Quebec; by 0.6 per cent to 6.8 per cent in Ontario; and by 0.9 per cent to 6.0 per cent in Manitoba. The rate decreased by 0.2 per cent to 13.0 per cent in New Brunswick; by 0.2 per cent to 3.7 per cent in Saskatchewan; by 0.3 per cent to 4.0 per cent in Alberta; and by 0.6 per cent to 8.2 per cent in British Columbia.

Earnings, January

Average weekly earnings in Canadian industry were \$238.25 in January, an increase of 9.8 per cent from \$217.03 a year ago. Provincially, average weekly earnings, unadjusted, were highest in British Columbia, \$270.26; Alberta, \$248.07; Ontario, \$238.18;

Newfoundland, \$234.19; Quebec, \$232.26; Saskatchewan, \$224.47; New Brunswick, \$218.64; Manitoba, \$217.59; Nova Scotia, \$204.86; and Prince Edward Island, \$185.01. Average weekly earnings in January, by industry division, were: mining, \$340.31; construction, \$336.95; forestry, \$308.92; transportation, communication and

other utilities, \$273.54; manufacturing, \$255.96; finance, insurance and real estate, \$219.01; trade, \$185.11; and service, \$166.86. Compared with January a year ago average hourly earnings increased 12.7 per cent in manufacturing; 10.6 per cent in construction and 9.9 per cent in mining.

General minimum rates for experienced adult workers

Jurisdiction	Rates per hour
Federal	\$2.90 effective April 1, 1976
Alberta	\$3.00 effective March 1, 1977
British Columbia	\$3.00 effective June 1, 1976
Manitoba	\$2.95 effective September 1, 1976
New Brunswick	\$2.80 effective November 1, 1976
Newfoundland	\$2.50 effective January 1, 1976
Nova Scotia	\$2.75 effective January 1, 1977
Ontario	\$2.65 effective March 15, 1976
Prince Edward Island	\$2.50 effective July 1, 1976 \$2.70 effective July 1, 1977
Québec	\$3.00 effective January 1, 1977
Saskatchewan	\$3.00 effective January 1, 1977
Northwest Territories	\$3.00 effective June 7, 1976
Yukon Territory*	\$3.00 effective April 1, 1976

*Federal rate plus 10 cents.

Minimum wage rates for young workers and students*

Jurisdiction	Rates per hour	Effective date
Federal	Employees under 17: \$2.65	April 1, 1976
Alberta	Employees under 18: \$2.85	March 1, 1977
British Columbia	Students under 18 employed part-time: \$2.50	March 1, 1977
British Columbia	Employees 17 and under: \$2.60	June 1, 1976
Manitoba	Employees under 18: \$2.70	September 1, 1976
Nova Scotia	Underage employees: 14 to 18 years \$2.50	January 1, 1977
Ontario	Students under 18 employed for not more than 28 hours in a week or during a school holiday: \$2.15	March 15, 1976
Prince Edward Island	Employees under 18: \$2.20 \$2.35	July 1, 1976 July 1, 1977
Québec	Employees under 18: \$2.80	January 1, 1977
Northwest Territories	Employees under 17: \$2.55	June 7, 1976

*New Brunswick, Newfoundland, Saskatchewan and Yukon Territory have special rates for young workers or students.

labour statistics

Principal Items	Date	Amount	Percentage change from	
			Previous Month	Previous Year
AL CIVILIAN LABOUR FORCE*				
		(unadjusted figures, in thousands)		
Week ended January 15, 1977		10,144	- 0.8	+ 2.0
Employed.....	January 1977	9,255	- 2.3	+ 1.2
Agriculture.....	" "	433	- 5.4	+ 4.0
Non-agriculture.....	" "	8,842	- 1.9	+ 1.3
Paid workers.....	" "	9,182	- 0.6	+ 11.1
At work 35 hours or more.....	" "	6,178	- 13.0	- 9.2
At work less than 35 hours.....	" "	2,586	+ 2.6	+ 37.2
Employed but not at work.....	" "	491	+ 32.3	+ 8.8
(change in thousands)				
Unemployed.....	January 1977	889	+ 135	+ 89
Newfoundland.....	" "	29	+ 5	+ 4
Nova Scotia.....	" "	34	+ 2	+ 5
Prince Edward Island.....	" "	5	+ 1	-
New Brunswick.....	" "	37	+ 7	+ 7
Quebec.....	" "	274	+ 21	+ 33
Ontario.....	" "	289	+ 42	+ 16
Manitoba.....	" "	31	+ 7	+ 2
Saskatchewan.....	" "	19	+ 4	+ 1
Alberta.....	" "	50	+ 17	+ 7
British Columbia.....	" "	112	+ 20	+ 4
Without work, seeking work and available for work.....	" "	778	+ 9	+ 78
percentage change				
INDUSTRIAL EMPLOYMENT (1961 = 100) ^r	October 1976	146.3	+ 0.3	+ 2.9
Manufacturing employment (1961 = 100) ^r	" "	128.6	- 0.5	+ 1.3
MIGRATION.....	First 9 months 1976	117,511	-	-
Destined to the labour force.....	" " "	48,590	-	-
STRIKES AND LOCKOUTS ‡				
Strikes and lockouts.....	December 1976	120	- 7.0	- 34.1
No. of workers involved.....	" "	45,352	- 11.6	- 45.2
Duration in man days.....	" "	258,990	- 47.3	- 76.5
EARNINGS AND INCOME				
Average weekly earnings (ind. comp.) ^r	October 1976	235.03	+ 1.3	+ 10.4
Average hourly earnings (mfg.) ^r	" "	5.92	+ 0.9	+ 13.0
Average weekly hours paid (mfg.) ^r	" "	38.9	-	- 0.5
Consumer price index (1971 = 100).....	January 1977	154.0	+ 0.9	+ 6.1
Index numbers of weekly wages in 1961 dollars (1961 = 100) ^r	October 1976	152.2	+ 0.5	+ 6.3
Total labour income (millions of dollars) †.....	December 1976	9,153.2	+ 1.2	+ 16.6
INDUSTRIAL PRODUCTION ‡				
Total (average 1971 = 100).....	December 1976	121.0	+ 0.7	+ 4.7
Manufacturing.....	" "	119.4	+ 0.8	+ 3.4
Durables.....	" "	122.0	+ 1.7	+ 2.3
Non-durables.....	" "	116.7	- 0.3	+ 4.5
NON-RESIDENTIAL CONSTRUCTION **				
Starts.....	December 1976	17,658	-	- 11
Completions.....	" "	15,769	-	- 1
Under construction.....	" "	168,282	-	+ 15

Source: Statistics Canada. *Labour Force Information*, Cat. No. 71-001P and *The Labour Force*, Cat. 71-001
 Advance data
 Preliminary
 Centres of 10,000 population or more
 Revised

STRIKES AND LOCKOUTS

Statistical information on work stoppages in Canada is compiled by the Labour Data Branch of the Canada Department of Labour on the basis of reports from the Canada Manpower Division, Department of Manpower and Immigration. The tables cover strikes and lockouts that amount to 100,000 or more man-days. The number of workers involved includes all workers reported on strike or lockout, whether or not they all belonged to the union directly involved in the disputes leading to the work stoppages. Workers indirectly affected, such as those laid off as a result of a work stoppage, are not included.

TIME PERSPECTIVE ON WORK STOPPAGES, DECEMBER 1976

Period	Number beginning during month	Work stoppages in existence during month or year			Per cent of estimated working time
		Number	Workers involved	Duration in man-days	
Year					
1971	547	569	239,631	2,866,590	0.16
1972	556	598	706,474	7,753,530	0.43
1973	677	724	348,470	5,776,080	0.30
1974*	1,173	1,218	580,912	9,221,890	0.46
1975*	1,103	1,171	506,443	10,908,810	0.53
1975 Month					
December*	39	182	82,632	1,099,310	0.64
1976**					
January	35	154	54,756	813,660	0.47
February	53	156	150,369	573,770	0.35
March	83	157	172,608	432,270	0.23
April	75	153	303,957	669,470	0.38
May	96	168	265,912	653,010	0.38
June	125	233	187,524	1,131,820	0.59
July	69	183	78,020	1,271,320	0.68
August	78	193	89,791	942,950	0.50
September	54	175	136,027	1,738,990	0.97
October	49	155	904,953	1,646,500	0.92
November	39	129	51,260	491,380	0.26
December	37	120	45,352	258,990	0.14
January-December 1976**		1,030		10,624,130	0.50
January-December 1975*		1,171		10,908,810	0.53

* Revised

** Preliminary

WORK STOPPAGES BY INDUSTRY, DECEMBER 1976 (Preliminary)

Industry	Number beginning during month	Work stoppages in existence during month			Cumulative duration in man-days (Jan. to Dec.)
		Number	Workers involved	Duration in man-days	
Agriculture	0	0	0	0	0
Forestry	1	1	125	880	36,320
Fishing	0	0	0	0	350
Mines	1	4	347	7,260	570,310
Manufacturing	16	60	36,660	172,510	4,385,560
Construction	4	7	2,536	9,640	2,110,020
Transp. & Utilities	2	10	884	9,400	611,860
Trade	6	19	1,867	13,040	158,370
Finance	0	2	62	1,360	13,820
Service	4	12	2,253	39,060	1,155,680
Public Admin.	3	5	618	5,840	84,140
Various industries	0	0	0	0	667,700
"Day of Protest"	0	0	0	0	830,000
TOTAL	37	120	45,352	258,990	10,624,130

WORK STOPPAGES BY JURISDICTION, DECEMBER 1976 (Preliminary)

Jurisdiction	Number beginning during month	Work stoppages in existence during month			Cumulative duration in man-days (Jan. to Dec.)
		Number	Workers involved	Duration in man-days	
Nfld.	4	4	271	340	126,050
P.E.I.	0	0	0	0	28,230
N.S.	2	2	623	1,300	193,080
N.B.	1	1	800	300	241,840
Québec	14	61	11,413	141,790	5,514,020
Ontario	9	34	28,481	87,640	1,637,680
Manitoba	2	3	282	5,060	99,920
Saskatchewan	2	2	843	3,340	136,730
Alberta	1	6	563	11,960	110,020
B.C.	1	4	1,677	6,160	1,472,200
Total, provinces	36	117	44,953	257,890	9,559,770
Federal					
Public Service(1)	0	0	0	0	3,400
Federal Industries(2)	1	3	399	1,100	230,960
Federal total	1	3	399	1,100	234,360
"Day of Protest"	0	0	0	0	830,000
TOTAL	37	120	45,352	258,990	10,624,130

(1) Covered under the Public Service Staff Relations Act.

(2) Covered under the Canada Labour Code: Part V.

NOTE: Numbers relate only to workers directly involved in the dispute.